
Study of the Monroe County Tourism Workforce

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THE FLORIDA KEYS & KEY WEST
MONROE COUNTY TOURIST DEVELOPMENT COUNCIL
Come as you are®

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FOREWARD

Tourism is the largest industry today in the Florida Keys and its largest employer. While our tourism industry has been growing over the past several years, our resident population and our workforce has been declining. Factors such as an increasing cost of living, shortage of affordable housing and medical care costs are driving the exodus of Monroe County workers that is anticipated to continue into the foreseeable future.

For the tourism industry, and our economy, to succeed an adequate supply of appropriately skilled and experienced workers is essential. Concerns have been raised that both the supply and skill set of the current workforce does not adequately meet the demands of the tourism industry. Understanding the impact of this is critical to sustaining our industry here in the Keys.

Accordingly, the Monroe County Tourist Development Council embarked on this comprehensive study of the Florida Keys tourism workforce. The scope of this study is the Monroe County Tourism industry. The study is an analysis of Monroe County employment directly related to tourism, although County-wide data is also introduced.

This study is presented in three main segments:

1. Preface: In this segment, the study is introduced. A summary, presenting the key findings, is also included.
2. Report: This segment begins with the background of the study and an explanation of its methodology. The remainder of this segment is organized according to the TDC approved project outline for the study (see Appendix A). Data, collected via primary research and secondary sources, is explored in further detail to examine the research questions posed in the Study outline. Where possible, responses are separated by sub groups to explore the demographic and attitudinal similarities and differences among the groups. Groupings include: District (residency and business location), type of business, length of residency in the Florida Keys, length of business operation in the Florida Keys and homeownership/renter status. A conclusion is also included.
4. Appendix: In this section supplemental data and documents are presented, including copies of the employer survey, tourism worker survey and visitor survey.

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SUMMARY OF STUDY FINDINGS

The mission of the Monroe County Tourist Development Council (TDC) is to set an overall direction for the Monroe County tourism marketing effort in a manner that will assure long-term sustained growth in tourism revenues while also guaranteeing the sustainability and improvement of our product, including both our man-made and natural resources, and improvements to the quality of life of our residents. It is in accordance with that mission that the TDC conducted an eight month long study to investigate the impact of a declining tourism workforce on the sustainability of our tourism product.

According to US Census Bureau estimates, since 2000 Monroe County has lost over 4 percent of its population equating to over 3,000 residents. In the past 2.5 years workers as a component of exiting residents has increased. During that time period alone Monroe County lost over 1,000 working residents. There exists a somewhat general consensus among in the community as to why there has been a reduction in Monroe County's population. Resident decisions to relocate outside of Monroe County are believed to be attributable to factors such as our County's high cost of home ownership, high rents, medical care costs and hurricanes.

The challenge that lay before us was to delve deeper into this trend in the context of tourism workers. To discover, to what extent do tourism workers comprise this exodus. Do our current tourism workers plan to relocate outside of the Keys in the short or long term (5 years)? Who are these tourism workers, if any, planning to relocate; in terms of jobs being vacated, skill levels, residency in the Keys and housing situation? To what extent is each of those factors named above, or others, actually contributing to the exodus? How is the decreasing tourism workforce impacting our tourism product now? How might it impact our tourism product in the future?

The remainder of this segment summarizes the key findings of our study. In the report segment of this study, beginning on page 1, the data collection is presented in its entirety with more detailed analysis and graphical representation. The report segment also includes the study conclusions.

KEY FINDINGS: Tourism Worker Survey

Tourism Worker Profile

The majority of tourism workers (60%) have lived in the Keys for more than five years. The remainder (40%) has lived in the Keys for less than five years. The average tourism workers' household includes two adults (68% HH 2 or more adults, 32% HH one adult). About 1 out of every 5 tourism worker households includes children. Most

have one child. Roughly a quarter of tourism workers are in their teens to twenties; a quarter in their thirties; a quarter in their forties; and the remainder in their fifties and above.

The average tourism worker works 48 hours a week. Roughly 25 percent of tourism workers are earning minimum wage to \$24,999 per year, 25% earn \$25,000 to \$34,999 per year, 25% earn \$35,000 to \$49,999 and the remainder earn \$50,000 or more. The average income earned by tourism workers is \$40,458 a year.

One out of every four tourism workers is new to the industry with three years or less experience. The same amount, one out of every four, is a very experienced career tourism worker bringing fifteen years or more tourism industry experience. The remainder (50%) has over three years experience, but less than fifteen. The average worker also has some college education or a college degree (66%). Most work within the same district they reside (83%). 17 percent commute between districts.

Most tourism workers (78%) feel that their skill level and background match their current job and the duties that are required of them. Most report being satisfied overall with their job (78%), their immediate boss or supervisor (78%), their job security (75%), the amount of work required of them (74%) and the flexibility of their hours (71%). They are less often satisfied with the recognition they receive (63%), amount of money they earn (54%), their chances for promotion (51%) and health benefits (40%).

While the majority of tourism workers hold only one job (67%), one out of every three holds more than one job. Most often this equates to two jobs (26%), though some report holding more than two jobs (7%).

Four out of every five tourism workers are housing cost burdened (80%), i.e. they are paying more than 30 percent of their income toward housing costs, whether they are renters (65%) or homeowners (35%). A predominance of housing cost burden was true across all ranges of residency in the Keys from new residents to lifelong residents. Workers with six to ten years of residency in the Keys reported the highest rate of housing cost burden (85% housing cost burden, 50% severely). Tourism workers who are homeowners are more likely to be experiencing severe housing cost burden, i.e. paying more than 50 percent of their income toward housing costs, than renters (45% HO vs. 36% renters).

Tourism Workers' Future Residency in the Florida Keys

Tourism workers are fairly split on whether or not they will remain in the Keys over the next five years. About 40 percent are unlikely to remain in the Keys over the next

five years (combined responses “*somewhat unlikely*”, “*unlikely*” and “*very unlikely*”). 47 percent are likely to remain in the Keys over the next five years (combined responses “*somewhat likely*”, “*likely*” and “*very likely*”). The remainder, 13 percent, is unsure.

In grouping tourism workers by housing costs, as housing cost burden increasing, so does the likelihood the tourism worker will leave the Keys. Tourism workers who are severely housing cost burdened were least likely to remain in the Keys (43%).

Tourism workers who have resided in the Keys for five years or less were the least likely to remain in the Keys. About one out of every two, or 47 percent, of tourism workers who had resided in the Keys for five years or less said they were unlikely to remain in the Keys. This may be due multiple factors; including a possible predetermined short length of residency before moving to the Keys or a somewhat higher percentage of customer service/front-line workers, among newer residents, whom are more likely than other job categories to vacate the Keys.

Tourism workers who had resided in the Keys from six years to fifteen years had about average response rates for future residency in the Keys. Three out of every five were unlikely to remain (39% - 6 to 10 years residency, 41% - 11 to 15 years residency). Tourism workers who had lived in the Keys twenty years or more were most likely to remain in the Keys. This may be due to the fact that this group was the least housing cost burdened; a predictive factor in relocation. Though about a quarter of these twenty plus years to life long residents still anticipated leaving the Keys, or one out of every four (27%). The loss of this resident group in particular risks cultural drain from the Keys. Cultural drain occurs when resident relocation, particular native residents, results in the loss of cultural traditions. The Keys unique culture is important component of both the fabric of its community and its tourism product.

Three out of every five tourism workers (64%) have actual plans to leave the Keys within the next five years. That equates to nearly 8,000 workers. Adding in their household members, that equates to over 13,000 residents leaving the Keys over the next five years. The exodus of tourism workers could cost Monroe County tourism employers over the next five years \$96.9 million in pre-departure costs, recruiting costs, selection costs, orientation/training costs and the cost of lost productivity. That would equate to about \$84,000 per tourism business in pre-departure costs, recruiting costs, selection costs, orientation/training costs and the cost of lost productivity.

17 percent of the exiting tourism workers, or 2,120, plan to leave within the next year. Adding in their household members equates over 4,000 residents moving out of our county this year. To put that number into prospective, it equates to 11 people a day moving out of Monroe County or one person about every other hour.

An additional 15 percent of our current tourism workers (1,871) plan to relocate by spring 2008, 19 percent more (2,370) by spring 2010 and finally 13 percent more (1,621) following spring 2010. The percentage of workers with actual plans to leave the Keys was fairly consistent across industries, with hotel and restaurant/bar employees having somewhat higher rates of relocation plans (67%) and retail having lower (53%). The percentage of workers with actual plans to leave the Keys was also fairly consistent across all job categories, with customer service/front-line workers having somewhat higher rates of relocation plans (67%) and professional/office workers having somewhat lower rates of relocation plans (64%).

These results indicate turnover will be felt across all tourism business types and across all worker categories from entry-level to professional. However, the most effects will be felt among customer service/front-line employee groups as these workers have a somewhat higher than average percent planning to leave the Keys (67% vs. 64% average). This may be because worker in customer service/front-line positions have a somewhat higher rate of housing costs burden than workers in other job categories and are newer residents on average. Both are predictive factors in relocation plans. (47% zero to five years residency vs. 40% average; 80% housing cost burden vs. 75% to 78% for remaining job categories).

The actual change in population would depend on any off-setting of resident loss by gains of new residents. Again applying the responses of this subgroup to the entire population of tourism workers, about 5,000 tourism workers have migrated into Monroe County within the past five years. They have brought with them other household members for a total of about 9,330 new Monroe County residents from tourism worker households over the past five years. If past migration trends into Monroe County continued, then the net population change of tourism worker households would be an estimated loss of over 3,640 residents. For just tourism worker households alone, the planned resident loss over the next five years could be more than the total resident loss experienced over the past five years.

The majority of tourism worker who plans to leave the Keys is doing so because of the cost of housing here in the Keys (40%¹ current home cost, 56% current rent cost, 51% cost of market rate housing) and the enticement of lower cost housing elsewhere (51.7%). Other top factors influencing tourism workers to plan to leave the Keys are hurricanes (the stress of hurricane season 37 percent and hurricane damage from prior storms 9%), health care costs (32%) and having to work multiple jobs to meet expenses (32%).

¹ Note: As respondents can select up to five top factors, percent of cases is reported. In other words, 40% of respondents selected "the cost of owning my home" among the top five factors of why they were leaving the Keys. Percentages do not add up to one hundred.

Tourism workers can be influenced to remain in the Keys if their housing situation changes. Home ownership or rental through an affordable/workforce housing program is *very likely* to influence a tourism worker with current plans to leave the Keys to remain. Being able to purchase a market rate house on ones own is *very likely* to influence a departing worker to stay. Other factors tourism workers report that are *very likely* to influence them to remain in the Keys are increased pay, promotion or a reduction of medical care costs.

About two out of every five tourism workers have no plans to leave the Keys (36%). This is fewer respondents than those who indicated they are likely to remain the Keys (47%). Looking closer at the data, some respondents who indicated they are likely to remain in the Keys also indicated they plan to leave within the next five years. This may suggest that while they have plans to leave the Keys, they are somewhat optimistic that factors may occur to change their plans and therefore still feel they are likely to remain in the Keys.

The residency plans of workers who are likely to remain in the Keys, however, could also be negatively influenced. Another active hurricane season is *somewhat likely* to influence a tourism worker to change their mind about remaining or to move sooner than planned. Damage to ones residence from a hurricane is also *somewhat likely* to influence residency choices. Another flood from a hurricane like the one experienced in the Keys from hurricane Wilma, however, is *very likely* to influence tourism workers to move sooner than planned or to change their mind about staying in the Keys. Also *very likely* to influence tourism workers' residency plans are the offer of a higher paid job on a mainland, a personal illness or the illness of a household member.

Outside of change in residency, turnover is likely to be fairly normal. The majority of tourism workers do not plan to change jobs during their residency in the Keys (71%). Those who are seeking another job within the County, or plan to seek another job in the near future, are looking for higher pay (40%) and better opportunities (32%).

KEY FINDINGS: Tourism Employer Surveys

The average tourism employer experienced a turnover rate last year of 73 percent of their workforce. Median turnover was 30 percent, indicating the average was affected by extreme outliers. Half of all tourism employers experienced a turnover rate of 30 percent or greater, half experienced a turnover rate of less than 30 percent. The averages and medians significantly differed among districts, with District I having an average turnover of 114 percent and median turnover of 40 percent, Districts III and IV averaging about 50 percent and the remaining districts averaging less than 25 percent turnover. As a basis of comparison, "a recent study reports that the average

turnover level in the US lodging industry is approximately 25 percent for management staff and around 50 percent for other types of jobs.”² Meaning, average turnover in District I is much higher than industry wide standards.

Turnover from employees resigning to join another employer located in Monroe County is most often due to the competitor offering a better salary (43%) and better benefits (26%). Turnover from employees resigning to move out of the Florida Keys is most often due to the high cost of housing in the Keys. Four out of every five employees who have resigned their position to move away from the County have done so because of the cost of housing here (78%). Most employees remain with their employers for one to two years. Professional/Office and Manager/Supervisor employees have a higher than average longevity of 3 to 5 years.

The majority of Monroe County tourism employers who indicated they had training programs in place also responded turnover is resulting in high training costs (47%) The remainders are neutral/undecided (14%) or are not experiencing high training costs due to turnover (36%).

A little less than half of tourism employers are currently not adequately staffed and are satisfied with their overall level of employee retention. The other half are adequately staffed, satisfied with their employee retention or are unsure/undecided. About half have experienced persistent vacancies in their customer service/front-line positions and operational positions. Most have not experienced persistent vacancies in their professional/office or management/executive positions (70%).

There are an estimated over 1,030 vacant tourism jobs. An estimated 36 percent of those jobs, or 370, have been vacant for more than 30 days or are persistently vacant. There were 90 different types of positions with vacancies reported across the County by our respondents, ranging from entry level (housekeeping) to experienced (vice president of finance & administration). The majority of the job opportunities do require some tourism industry experience (related experience 48%, some experience 34%). Most require minimal education (no education 38%, a high school diploma/GED 40%).

Lodging and Bars/Restaurants, particularly in District I, are fulfilling worker shortages by utilizing guest workers (41% lodging utilizing guest workers, 37% bars/restaurants). This labor source is problematic as the government only issues 66,000 guest worker visas per year which must be shared across the entire United States and all of the many industries competing for the labor.

² Laliberte, Michele. “Recruiting Tourism Workers: the time is now!”. Hospitality.Net. URL: <http://www.hospitalitynet.org/news/4027474.search?query=average+turnover+hospitality+industry+2005>

Non-Monroe County residents, i.e. inter-county commuters, are utilized to fulfill staffing needs as well, predominately in the Middle and Upper Keys. These workers can be physical commuters or virtual commuters (telecommuters). As population in the Florida City/Homestead area increases, while Monroe County offers more competitive wages, this is a viable source of employment. However, it is severely limited by geography in that there is only so far the workers may travel for the trade-off of higher wages. For the Lower Keys, this labor pool is over one hundred miles away.

Tourism employers are most satisfied with the adequacy of the skill level of their management/executive employees (86%) and professional/office employees (80%). They are less satisfied with the adequacy of the skill level of the remaining employee groups; customer service/front-line (63%), operational (74%).

Tourism employers are not satisfied with the overall *quality* of the Monroe County applicant pool (80%) or with the overall *quantity* of the Monroe County applicant pool (84%). For all four employee groups, most tourism employers are not satisfied with Monroe County's candidate selection. Customer service/front-line candidates are most dissatisfying to tourism employers (80% dissatisfied).

As one can see, for most employers the satisfaction level with potential candidates (applicant pool) is far less than the satisfaction level with ones' current workers. For example, while 64 percent of businesses are satisfied with their current customer service/front-line employees, only 20 percent are satisfied with the customer service/front-line worker applicant pool. Given this disparity, it is beneficial for employers to retain their current workers as they will likely be less satisfied with their replacements.

Offering medical benefits and merit raises as incentives are the programs Monroe County tourism employers have found, when put in place, most successful in fulfilling their staffing needs. However, only about half of tourism employers offer medical benefits. For those that do offer medical benefits most cover 50 percent of their workers' medical benefit costs.

Tourism employers are unsure what their staffing needs will be over the next five years in light of a projected increase in Florida tourism of 2 percent to 3 percent per year, for a total tourism growth of 13 percent. Tourism employers, who have anticipated their staffing needs, anticipate somewhat increased staffing needs each year over the next five years.

One out of every five tourism employer anticipates a "*significant decrease*" in Monroe County's population over the next two years. An additional three out of every four

tourism employers anticipate a “decrease” or “somewhat decrease” in population, for a total of four out of every five tourism employers anticipating some degree of population decrease (80%) over the next five years.

KEY FINDINGS: Visitor Surveys

For this study, we’ve employed a new approach in examining visitor satisfaction. Our approach is based on other research studies which have found satisfaction is derived from a product meeting your expectation levels.

In visiting a destination, you may have high expectations for some attributes and lower for others. Let’s say, for example, you expect a high quality hotel (5 out of 5) and a superb beach (also 5 out of 5). On the other hand, you may not have expected much in the way of shopping (2 out of 5) or nightlife (also 2 out of 5). In this scenario, as indicated by your expectation ratings, you are seeking superior lodging and beaches. You are less motivated by shopping or nightlife.

Once you actually reached the destination and were asked to rate these attributes, you rated all four attributes a 4 out of 5 or a “good”. A destination may think they’ve done a satisfactory job, providing you with a “good” vacation experience. In actuality, you were disappointed by your lodging and the beaches as you expected a 5 out of 5, or *excellent*. You weren’t satisfied as your expectations weren’t met.

If we relied solely on a single visitation satisfaction rating, we would not have a clear picture of whether or not we are actually providing the product our visitors are seeking. Ideally, you would want to meet or exceed expectations the super majority of the time. Studies have shown this leads to increased product satisfaction and a positive post purchase outlook.

For about four out of every five visitors (86%) the Florida Keys overall met or exceeded their expectations. Most visitors are “likely” or “very likely” to recommend the Keys to a friend or family member for their next vacation (72%). Value for the price met or exceeded visitor expectation 90 percent of the time. The top response (mode) for respondents across all attributes was that their satisfaction with their experience met their expectations. This was true across all districts.

As a basis for comparison, the Keys fared better than the Hawaiian Islands and the Bahamas in visitor satisfaction. Hawaii’s most recent available visitor data (2005 report) showed a visitor satisfaction rate of 68 percent³ versus the results of this Keys visitor survey of 86 percent. The Bahamas 2005 report of visitors who were “likely” to

³ Natarajan, Prabha. “Visitor Satisfaction Weakens.” Pacific Business News. 18 May 05. URL: <http://www.bizjournals.com/pacific/stories/2005/05/16/daily38.html>

recommend the destination to a friend was an all-time low of 61 percent⁴ while on this survey, the Keys achieved 72 percent. Satisfaction was slightly higher in Miami, at 90 percent in 2005.⁵ Surpassing the Keys was the Beaches of Fort Myers – Sanibel. Lee County reported a visitor satisfaction of 99 percent in winter 2005 and 98.6 percent in spring/summer 2005.⁶

Customer service at attractions/activities (77%) and customer service at restaurants (81%) had the lowest rates of meeting or exceeding visitor expectation. While, shopping product and the cultural aspects of the destination had the highest rates of meeting or exceeding visitor expectations (91% and 92% respectively). Shopping product in particular had the highest rate of exceeding visitor expectations (30% expectations exceeded).

Where customer service provided by tourism workers was broken out from the actual tourism product (lodging, retail, food & beverage and attractions/activities) in all cases the customer service had lower rates of meeting or exceeding visitor expectations than the actual product.

Visitor responses did differ by district. For most attributes, District II had the highest rate of meeting or exceeding visitor expectations while District I had the lowest. District III had the highest overall rating. The following tables show satisfaction rates per attributes, per districts. They are ordered from highest satisfaction rating to lowest.

Cleanliness of Destination		Beaches of Destination		Lodging Product		Lodging Service	
District	Expectations met or exceeded	District	Expectations met or exceeded	District	Expectations met or exceeded	District	Expectations met or exceeded
District II	97%	District II	97%	District II	98%	District II	100%
District V	97%	District III	91%	District III	98%	District IV	98%
District III	93%	District IV	88%	District IV	95%	District III	96%
District IV	91%	District V	87%	District V	94%	District V	95%
District I	74%	District I	86%	District I	76%	District I	72%

⁴ “Visitor Satisfaction Declines”. *Bahamas News*. 18 Apr. 05 URL: <http://www.bahamasb2b.com/news/wmview.php?ArtID=5053>

⁵ Synovate – Miami. “2005 Visitor Profile and Economic Impact Study.” Mar. 2006. URL: http://www.gmcvb.com/pictures/HotelOccupancys/HO276_Annual%20Report%202005.pdf.

⁶ “The beaches of Fort Myers – Sanibel Annual 2005 Visitor Profile.” Research Data Services, Inc. URL: <http://www.leevcb.com/statistics/2005execprofile.pdf>

Retail Product		Retail Service		Dining Product		Dining Service	
District	Expectations met or exceeded	District	Expectations met or exceeded	District	Expectations met or exceeded	District	Expectations met or exceeded
District II	100%	District II	100%	District II	93%	District II	92%
District III	97%	District V	97%	District IV	88%	District III	87%
District IV	95%	District III	94%	District III	85%	District IV	86%
District V	94%	District IV	91%	District V	81%	District V	85%
District I	86%	District I	77%	District I	78%	District I	76%

Attractions Product		Attractions Customer Service		Cultural Events, Arts, Theater		Overall	
District	Expectations met or exceeded	District	Expectations met or exceeded	District	Expectations met or exceeded	District	Expectations met or exceeded
District II	95%	District III	97%	District II	97%	District III	99%
District V	94%	District II	95%	District III	97%	District II	95%
District IV	91%	District V	95%	District V	95%	District IV	95%
District III	90%	District IV	94%	District IV	94%	District V	90%
District I	82%	District I	75%	District I	83%	District I	79%

Visitor responses were also broken down by amount spent per day on lodging according to the June 2006 Smith Travel average occupancy and daily rate tier report. The categories were: economy to midprice (up to \$164), upscale (\$165 to \$233) and luxury (\$234 and up). Overall vacation experience meeting or exceeding expectations was lowest among luxury visitors (78%) and highest among upscale (91%).

Visitor responses were also broken down by repeat visitors vs. new or newly returning visitors (i.e. never visited the Keys or visited more than 3 years ago). Repeat visitors reported higher rates of their vacation meeting or exceeding their expectations (92%) than new visitors (83%).

OTHER KEY FINDINGS

Value of Tourism to Monroe County's Economy

Tourism, directly and indirectly, contributed \$2.2 billion to Monroe County's economy in 2005. Tourism directly and indirectly created 23, 616 jobs, or 54% of Monroe County's employment. As tourism is a service-oriented, labor intensive industry it creates more jobs per income earnings than other industries. It is the largest export in Monroe County and its largest employer.

Tourism contributed significant income to Monroe County's governments, an estimated \$22.3 million directly and indirectly in local option sales tax distributions alone. In addition to local option sales tax revenues are bed tax, property tax (ad valorem tax) and gas tax. Sixteen of the top twenty property tax payers in Monroe County in 2005 were lodging properties. An estimated \$9 million in property taxes was collected from lodging properties alone in 2005. From bed tax collections, \$4.5 million was collected for tourist impacts (tourist impact tax) and another \$5.9 million is appropriated in FY07 for capital projects (tourist development tax).

Worker Turnover in other Monroe County Industries

Tourism is not the only Monroe County industry experiencing worker turnover. Nor is it the only Monroe County industry gathering data on future resident exodus. However, the results of some studies show turnover may be more pronounced in our industry. While Monroe County schools experienced an average turnover rate of 15 percent, in 2005, the average turnover rate experienced by Monroe County tourism employers was 73 percent.

A survey by the Monroe County school system found that 7 percent of County households with children planned to leave the Keys and would not be enrolling their children in school this year. This is compared to 17 percent of Monroe County tourism worker households with children who plan to leave the County by spring 2007, 9 percent before school resumes this August.

The Florida Keys Aqueduct Authority is anticipating a worker turnover over the next five years of close to 50 percent, due largely to migration out of the Keys. That is still less than the turnover expected for tourism businesses due to the planned exodus of 64 percent of tourism workers over the next five years.

National Trends

The International Society of Hospitality Consultants declared in a recent study that labor issues are the number one challenge facing the global hospitality industry. A domestic shortfall projection of 5 million workers over the next five years makes the national competition for employees even fiercer than it is today. This is likely to negatively impact the ability of the Florida Keys to use in-migration to fulfill local workforce shortfalls.

PART I: STUDY BACKGROUND AND METHODOLOGY

Section 1: Background

In one year, from 2004 to 2005, the U.S. Census Bureau estimates¹ there was a net reduction in Monroe County's population of 2.16 percent, or 1,690 residents. Monroe County ranked seventh among the top ten slowest-growing counties in the United States. The resident loss estimated by the US Census Bureau in 2004 to 2005 is in addition to an estimated 1.7 percent net loss from 2000 to 2004, or 1,305 residents. A total net loss of nearly 3,000 residents, or 4 percent, is estimated to have occurred in Monroe County since 2000.

Coinciding with the 2004 to 2005 US Census Bureau population reduction estimates are State of Florida's Agency for Workforce Innovations Labor Market Statistics (LMS) data demonstrating a reduction in Monroe County's working population. LMS data includes the total number of workers located in Monroe County. According to LMS data, there was a 1.4 percent reduction in Monroe County workers from 2004 to 2005, or 507 working residents. As one can see, this figure equates to 30 percent of the Census estimated resident loss, indicating about one out of every three exiting residents were likely workers. Given average household size and characteristics (58% families, average HH size 2.23²), the majority of the remaining exiting residents were likely members of the exiting workers households (623 residents). In total, 87 percent of the recent (2004 to 2005) resident exodus is estimated to have been workforce households.

This 500 plus Monroe County worker reduction from 2004 to 2005 mirrors the reduction also shown in the previous year (2003 to 2004, 519 Monroe County workers). Prior to that, Monroe County worker counts had much lower fluctuation and had actually increased 3 out of the 4 prior years. September 11th was a factor in the one decreasing year. This would seem to suggest that in the past 2 ½ years, workers as a component of exiting residents has increased.

In light of this resident exodus and workforce reduction, businesses have vocalized difficulty retaining employees, fulfilling positions and generally achieving adequate staffing county-wide. This is true also of our subset of the economy. This became the starting point for defining our marketing research problem: How is the decreasing workforce affecting our tourism product?

¹ U.S. Census Bureau estimates are based on Census 2000 and use administrative data, birth and death statistics, building data and Internal Revenue Service data to estimate current population.

² Census 2000, U.S. Census Bureau. www.census.gov

Section 2: Methodology

This study was conducted utilizing both primary and secondary research. The primary research was both of a qualitative and quantitative nature. The research process began with a definition of the problem: how is the decreasing resident and workforce affecting our tourism product?

Next, we determined the appropriate scope of the marketing research problem. “To formulate a marketing research problem of appropriate scope, it is necessary to take into account both the resources available, such as money and research skills, and the constraints on the organization, such as costs and time.”³

Given the resources and constraints of our organization, we determined the appropriate scope of our problem was direct employment by the Monroe County tourism industry. While some County-wide data will be introduced and discussed for context, our primary research collection focused on respondents directly employed or directly related to our tourism industry.

This is not to say that workforce issues do not exist outside Monroe County’s tourism industry or that there are no impacts on tourism from workforce issues outside the industry. There is certainly, as will be discussed in later sections, interdependency between tourism and other sectors of our economy. Rather, this limitation in scope to Monroe County’s tourism industry direct employment is a reflection two factors. First, it is a reflection of our organization’s mission, which is:

The mission of the Monroe County Tourist Development Council is to set an overall direction for the Monroe County tourism marketing effort in a manner that will assure long-term sustained growth in tourism revenues while also guaranteeing the sustainability and improvement of our product, including both our man-made and natural resources, and improvements to the quality of life of our residents.

Second, it is a reflection of the limitation of our resources. Though tourism is Monroe County’s largest single industry employer, it is not its sole employer. Tourism directly employs roughly one-third of Monroe County’s workforce. Meaning, extending the scope to all employment would have increased the project three-fold, thus increasing costs and time. Therefore, our scope was limited to direct employment from Monroe County’s tourism industry. Within the scope of our project, we determined that three major stakeholders in our tourism industry needed to be studied: tourism workers, tourism employers and tourists.

³ Malhotra, Naresh K. Marketing Research: An Applied Orientation. New Jersey: Prentice Hall, 1999.

Through discussions with tourism industry businesses and workers, staff brainstorming sessions and exploratory research via secondary data analysis (such as the US Census data discussed above) we developed an approach to the marketing research problem. As part of the approach development, the following research questions were postulated:

- 1) To what extent does a tourism workforce shortage actually exist in Monroe County today?
- 2) How are tourism workforce needs currently being fulfilled in Monroe County, i.e. resident workers, commuters, telecommuters, guest workers, qualified vs. under-qualified staff?
- 3) What are the impacts of these worker issues on the tourism industry in Monroe County and our overall tourism product?
- 4) What are our long-term projected needs for workers and supply of workers in the tourism industry?
- 5) What are the implications for our tourism product given our worker demand and supply long-term projections?

From these questions, our hypotheses were formulated. “A research hypothesis is a testable statement of opinion”⁴:

^{H1}A workforce shortage currently exists in Monroe County, and specifically within its tourism industry. ^{H2}The workforce shortage impacts our tourism product throughout the County. ^{H3}Given growth projections of the tourism industry, and the anticipated persistence of factors currently negatively impacting worker supply, the workforce shortage is anticipated to continue with negative impacts in the long term (5 years).

With our scope established, our marketing research problem defined, our hypotheses formulated and stakeholders identified, we began the process of further developing and probing our research questions in order to develop a study outline. Our study outline and project proposal was presented to the Tourist Development Council at the March 2, 2006 meeting and was subsequently approved. (See Appendix A for a copy of the approved outline.)

As many of the research questions we proposed required data which did not exist, to our knowledge, at such localized and detailed levels as we required, we began formulating a research design for obtaining primary research data. Primary data refers to data originated by our department for this specific study.

⁴ “Guidelines for customer satisfaction surveys and employee opinion surveys.” StatPac. URL: <http://www.statpac.com/customer-satisfaction.htm>.

For example, one research question we formulated was “what job vacancies, or shortages, currently exist in Monroe County’s tourism industry.” The State of Florida’s Agency for Workforce Innovations Labor Market Statistics (LMS) regularly conducts job vacancy/hiring needs surveys. These surveys provide data on both the quantity and nature of job vacancies throughout Florida. However, this secondary research source did not satisfy our research question. That is because data for Monroe County is actually a very small subgroup within a larger workforce region, region #23 Miami-Dade and Monroe Counties, within LMS’ report. Data specific to Monroe County’s tourism industry could not be isolated or extrapolated. Therefore, it was necessary for our organization to conduct primary research to satisfy our research question. LMS assisted us in this effort by providing us with a copy of their survey instrument.

We opted to utilize surveys to collect primary data from our stakeholders: tourism employers, tourism workers and tourists. We began the process of drafting three questionnaires; a tourism worker survey, a tourism employer survey and a visitor survey. Input was sought from Monroe County tourism employers and tourism workers to draft and pre-test the surveys.

Next, we began selection of the appropriate survey delivery method(s). We gathered secondary data to identify our population for the surveys and select a sampling frame. A sampling frame is something that can identify the elements in your population, for example a phone book or a voter registry. The sampling frame we selected was the InfoUSA database. InfoUSA is a company used by many government agencies, including the State of Florida through LMS, to obtain business and employment data. InfoUSA utilizes thousands of data sources, including local telephone books, to develop a database of 14 million businesses. InfoUSA also regularly contacts businesses via phone interviews to verify their data. InfoUSA gathers such data on Monroe County businesses, records data from Monroe County phonebooks and verifies their Monroe County data through their phone interview process.

Based on the data records obtained by InfoUSA, and verification of the data via other sources like the Florida Department of Business and Professional Regulation Division of Hotels and Restaurants data files, approximately 1,150 tourism businesses were identified employing over 14,760 workers. Given the relatively small and well identified population of tourism businesses, we determined a census style survey was more appropriate than surveying a sample subgroup.

We also determined workers would be surveyed via their place of employment as the incidence, or rate of occurrence of persons eligible to participate in the study, would be 100 percent. That is a far greater incidence rate than if a subsection of residents had been randomly sampled. We discussed this methodology with tourism workers during

our exploratory research phase to determine whether our subjects were comfortable with completing a survey received at the workplace. Given the anonymity of the survey instrument and return process (pre-paid return envelopes mailed directly to the TDC by the respondents) our interviewees felt comfortable with the selected method of delivery.

We determined mail and internet surveys would be the best methodology to deliver the tourism worker and tourism employer surveys. These methods have high perceived anonymity to respondents, and are therefore, highly effective in gathering sensitive data. For this study data sought was in many cases that of a sensitive nature, such as intentions for leaving the community and/or current employers. Both methods also have the lowest associated costs with conducting surveys.

We utilized the firm Survey Systems, Inc. to format and print OMR scannable survey forms for our mail surveys. Survey Systems, Inc. was also hired to code and enter the data via scan and manual key. Blue Water printing was contracted to print the pre-paid return envelopes.

Online versions of the surveys were also created by our department via the software SurveyMonkey.com and were accessible to respondents via two special web sites set up by Floridakeys.com for the project. The web sites allowed respondents to complete the surveys online or download and print copies. Nearly 30 percent of the tourism worker and employer surveys we received were completed via the internet.

At the end of April, the TDC mailed packets to tourism businesses throughout Monroe County as identified by the InfoUSA database. The packet contained a cover letter, explaining the study and requesting participation, as well as the employer survey, worker survey and pre-paid-return envelopes. See Appendix B for a copy of the cover letter.

To increase participation rates in our tourism employer and worker surveys, we conducted a pre-survey notification campaign. Pre-survey notification is a technique used in market research where you notify sample groups about your intent to survey them before sending surveys. Creating awareness in your target group increases the probability that they will participate in the survey once it is received.

Andy Newman, senior vice president of our public relations firm Stuart Newman and Associates, drafted and distributed a press release on the study to all Monroe County media. During this pre-notification phase, there were three local print stories published and one radio story covering the study. Mr. Newman also sent fax blast tourism advisories to tourism businesses notifying them of the study. So successful was

this pre-notification campaign in sparking interest in our study, we received over one hundred internet survey responses before the mail surveys were ever distributed.

After distribution of the mail survey, we conducted a reminder campaign to further boost participation. This is also a technique used in marketing research. Follow up communications are sent to sample groups to encourage those who have not already participated to do so. There were four more print stories about our study published during our reminder campaign, for a total of seven print stories and one radio story on our study. Mr. Newman again assisted with local media during our reminder campaign.

We solicited local organizations to send out notifications and reminders to their members via newsletters and blast emails. The Key Largo Chamber also volunteered to conduct a calling campaign of their members to encourage participation. We spoke at various organizations' meetings throughout the Keys about the study, further encouraging participation. We also sent out email and fax blast reminders to businesses in areas where response rates had lagged.

We selected a different survey methodology for our tourist (visitor) surveys. Our department for many years has been conducting intercept style visitor surveys throughout the County on an ongoing basis. We have contracted with the firm Insights, Inc. to conduct these intercept surveys. In an intercept survey, people are randomly approached at designated locations and asked to participate in an in-person survey. The field surveyor screens the respondent to ensure they meet certain criteria. In our case, we screen respondents to survey only those people who are overnight visitors staying somewhere in Monroe County. This method offers a high control of the collection environment. We can be certain our respondents were recent Florida Keys visitors.

The responses from these intercepts are the basis for our Visitor Profile Survey. Every year we review and revise our questionnaire as appropriate. This year, we revised our questionnaire to include questions which would collect data specific to our survey. These questions allowed us to capture more complex visitor satisfaction metrics. Not only did these metrics provide us with data necessary for this study, but it also allows us to monitor impacts of tourism workforce issues on our tourism industry going forward. As we were able to gather this data through an existing contract, there was no cost associated with this data collection.

All together, over 1,600 surveys were collected for this study. That includes 915 tourism worker surveys, 212 tourism employer surveys and 502 tourist surveys. At a 95 percent confidence level, the margin of error for the worker surveys is ± 3 , the employer surveys ± 6 and the tourist surveys is ± 4 . The margin of error is less when

significantly greater than 50 percent of the respondents give the same answer. Appendix C includes a profile of respondents to our tourism employer survey. Profiles of the other survey's respondents are included within the body of the report.

PART II: INDUSTRY ANALYSIS

Section 1: Tourism and the Monroe County Economy

Tourism is the largest export of Monroe County. An export is goods and services which, through their sale, introduce new money into an economy. In this case, the goods and services sold are our tourism product, i.e. lodging, recreation, food, beverage, etc. Tourism directly employs more workers than any other industry in Monroe County.

A 1995-1996 study headed by the National Oceanic and Atmospheric Administration (NOAA) sought to quantify both the direct and indirect impacts of the Florida Keys tourism industry on Monroe County's economy. Through a series of visitor surveys, NOAA calculated the amount of new money introduced into our economy via tourism, or direct visitor spending. Their conclusion was tourism introduced into the economy \$833.57 million new dollars in sales, \$316.26 in income and 13,655 jobs in direct employment over the time period of their study.

The tourist spending then had a multiplier effect on the economy whereby businesses directly selling goods and services to tourists, through their increased spending and demands of goods and services to meet tourists' needs, have a ripple effect on the economy. NOAA estimated a multiplier effect of 1.6. Therefore, the direct and indirect effect of tourism on Monroe County's economy was \$1.33 billion. That is 60 percent of the economy's direct output (sales). This equated to 21,848 jobs, or tourism creating about 1 out of every 2 jobs in Monroe County directly or indirectly.

As one can see, these numbers demonstrate the significance of the tourism industry in Monroe County's economy. Today, using current data, we estimate the direct and indirect effect of tourism in Monroe County in 2005 was \$2.2 billion in gross sales. Tourism directly created 14,760 jobs. Adding in the indirect effects of tourism, it created a total of 22,395 jobs or 54% of Monroe County's employment.

1.2 Tourism and Government

As discussed above, tourism is the largest single export of Monroe County. Its economic effect on the County, however, goes beyond the private sector. Local municipalities also derive significant income from tourism via sales tax, property tax (ad valorem tax), gas tax and bed tax. Tourism's generation of income for local municipalities benefits residents by offsetting the taxable burden that would otherwise befall them.

To demonstrate the power of tourist spending, let's look at the effect of the travel industry across the United States on our federal, state and local government tax coffers. According to a report by the Travel Industry Association of America (TIA), for every dollar spent by travelers in the U.S. in 2004, 9.3 cents was yielded for federal tax coffers, 4.6 cents (on average) for state tax coffers and 2.6 cents (on average) for local tax coffers. Travel-generated federal tax revenues accounted for 2.7 percent of all federal tax collections, or \$55.9 billion. "43.6 billion in tax revenue [was] generated by travel for state and local governments [accounting] for 4.3 percent of total taxes collected by state and local governments in 2004."⁵

So too in Monroe County does our local government reap the benefits of tourist spending in our tax coffers. Monroe County has a 7.5 percent sales tax (6% Florida state sales tax, 1.5% local option sales taxes). Of the 7.5 cents in sales tax collected for every taxable dollar purchase in Monroe County, the following cents are distributed back to Monroe County, including local option sales taxes:

Table 2.1 Local Sales Taxes Distributed back to Monroe County

Portion of tax (in cents)	Description
0.5	Half-cent sales tax
1	Local Infrastructure Surtax
0.5	Discretionary Sales Surtax "School Tax"

Nearly half of the taxable sales in Monroe County are direct purchases by tourists. Therefore, nearly half of the sales tax collected is from tourists. It is estimated that \$17.8 million of the local sales tax revenue distributed back to Monroe County from calendar year 2005 sales was attributed to direct tourist spending. Adding in the indirect effect of tourism, this equates to \$22.3 million added to local government tax coffers from sales tax collection driven by tourist spending.

Perhaps a more practical way to demonstrate the power of tourist spending to generate revenue via tax collections would be to review a specific project. The Sugarloaf Elementary School was built totally on the half cent "school tax" collected in Monroe County. As stated previously, tourists' direct spending equates to nearly half of all taxable sales in Monroe County. Therefore tourist spending was directly responsible for funding half of Sugarloaf Elementary School's construction.

As first glance, property tax may not seem to be a tax attributable to tourism. After all, by definition a tourist is a person who does not reside in Monroe County.

⁵ "The Economic Review of Travel in America 2005 Edition." Travel Industry Association of America. Washington, DC: Travel Industry Association of America 2005.

However, upon closer examination of property values in Monroe County one can quickly see the link to tourism. The commercial businesses that provide goods and services directly to tourists do in fact pay property tax. The payment of property tax is directly attributable to the income they derive from tourist spending as is their assessed property value. For example, the taxable value of lodging properties is derived, among other factors, from the income they receive or may achieve by providing accommodations to tourists.

Tourism businesses are among the top property tax payers county-wide. In examining tax roll records, ranking properties by taxable value yields the discovery that lodging properties, including hotels, motels, and timeshare with transient rentals, constitute sixteen out of the top twenty highest valued (and therefore taxed) non-exempt properties. Hotel and Motel property values alone constitute over \$1 billion in taxable property values. Millage rates vary throughout the County, however, estimating the property tax contribution of hotels and motels in 2005 using a millage rate of 9 yields a tax revenue of over \$9 million. The following table lists the top twenty taxable property values for 2005:

Table 2.2 2005 Monroe County Top 20 Property Values

Description	Value
Hotel or Motel	\$45,887,445
Timeshare	\$45,004,450
Hotel or Motel	\$32,465,760
Hotel or Motel	\$23,099,332
Timeshare	\$22,337,770
Hotel or Motel	\$22,070,868
Hotel or Motel	\$22,000,000
Hotel or Motel	\$20,025,915
Hotel or Motel	\$19,623,212
Private Hospital	\$19,349,893
Timeshare	\$19,261,800
Hotel or Motel	\$19,221,285
Hotel or Motel	\$18,944,557
Hotel or Motel	\$18,909,129
Multi-Family	\$17,998,052
Hotel or Motel	\$17,490,364
Hotel or Motel	\$17,400,000
Community Shopping Center	\$17,300,000
Department Store	\$16,689,002
Timeshare	\$15,594,540

Source: Monroe County Property Appraiser

Commercial property tax collection benefits go beyond the actual amount paid. Commercial properties serve to offset tax burdens on residential properties. They also command a smaller percentage of services per taxes paid. "As commercial tax revenues

increase, residential services are enhanced and tax increases are offset. Commercial growth improves quality of life by supporting local community services including fire and emergency services...schools and waste management.”⁶

Gas tax is also a tax category in which tourists significantly contribute to local municipal coffers. Gas tax distributions to Monroe County in fiscal year 2005 were approximately \$3.6 million. During that same year, approximately 82 percent of visitors to Monroe County drove into the Florida Keys to reach their island vacation destination. Adjusting overnight visitor estimates for average party size that is nearly one million tourist vehicles per year driving within the Keys and likely purchasing gas.

Four cents in Bed taxes are collected in Monroe County for every dollar spent on transient rentals, i.e. hotels, motels, vacation rentals, etc. Tourists pay nearly all bed tax collected within Monroe County, equating to approximately \$18⁷ million in 2005. Bed taxes comprise both tourist development taxes (3 cents) and tourist impact taxes (1 cent).

Via tourist development tax collection (3 cents), tourist spending funds promotion of the Florida Keys as a tourism destination and capital projects to sustain the viability of tourism in the Florida Keys. Such capital projects include funding for beach re-nourishment, cultural events, historical preservation, etc. Through tourist development bed tax collections, approximately \$5.9 million is appropriated to capital projects in FY07. The remainder of tourist development taxes collected, less administration and emergency funds, goes towards promotion and events. “The promotion of visitor amenities can have other beneficial effects in a community. Many of the same attributes that draw visitors to a community (e.g., recreation facilities, cultural events, attractive downtowns) also enhance the ‘quality of life’ for residents.”⁸

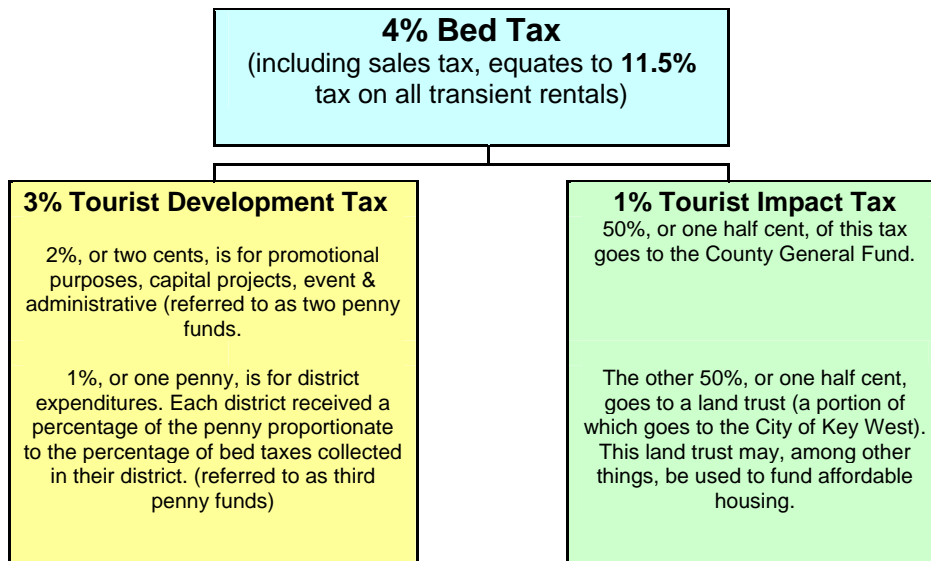
Via tourist impact tax collection, tourist spending funds affordable housing, environmental conservation, wastewater treatment, etc. Through tourist impact tax in 2005, approximately \$4.5 million was appropriated to tourism impacts. At the discretion of Monroe County and the City of Key West, these moneys may be used to fund affordable housing.

The following graphic demonstrates how this tax is distributed in Monroe County.

⁶ “Increasing tax rateables: a Guide to balanced growth.” Orange County New York Alliance for Balanced Growth. URL: [http://www.ocpartnership.org/Resources/Files/Demographics/Increasing%20Tax%20Rateables\(1052004%2083427%20AM\).pdf](http://www.ocpartnership.org/Resources/Files/Demographics/Increasing%20Tax%20Rateables(1052004%2083427%20AM).pdf)

⁷ Note: figures are net administrative fees

⁸ Dean Runyan Associates. “The Economic Significance of the Texas Travel Industry.” Feb. 2004. URL: <http://travel.state.tx.us/documents/TXGSPrrtr2127374278443786025.pdf>.



Section 2: Characteristics of a Tourism Based Workforce

“Because the tourism industry is service-oriented and labor intensive, it generates many employment opportunities relative to investments in physical capital”⁹. An industry comparison study done by the state of Texas found that tourism yields a higher percentage of income distributions to employees than other industries. Tourism industry employment is commonly viewed as entry-level low waged service related employment. While it does produce many opportunities for entry level employment, it actually encompasses an array of employment from entry-level to highly skilled labor, low-wage to top executive salaries. Professional positions, such as accounting and information technology, are often vital for business operation. Some tourism recreation specific jobs, like scuba dive instruction, require a high degree of experience/skill, certification or licensing. Tourism also offers opportunities for small business proprietors. Monroe County has a higher percentage of proprietors than the state of Florida and the U.S.

The tourism industry is also a large domestic and global employer, creating millions of jobs across the United States. According to TIA, “in 2004, domestic and international traveler spending in the U.S. directly generated more than 7.3 million jobs accounting for 5.6 percent of the nation’s total non-agricultural employment.”¹⁰

2.1 Core Occupations in the Tourism Industry

As Appendix D in this study is the Florida’s Agency for Workforce Innovations Labor Market Statistics (LMS) tables of the top twenty-five occupations for Florida Tourism Businesses. Data was not available at a Monroe County level. As these tables demonstrate, tourism employs all levels of occupations. Professional occupations like chief executives, bookkeeping, accounting, sales, supervisors, managers (general, operational, front-line), payroll clerks, office clerks, business operations specialists, etc., are consistently among the top twenty-five occupations in the tourism business categories. Also demonstrated is the level of entry-level opportunities in the industry.

In Part III of this study, current vacancies in Monroe County tourism are introduced. Opportunities exist in all levels of tourism employment in Monroe County today from entry-level occupations, for example housekeepers, to executive level occupations, for example vice-president of finance.

2.2 Core skills required in the Tourism Industry

⁹ Dean Runyan Associates. “The Economic Significance of the Texas Travel Industry.” Feb. 2004. URL: <http://travel.state.tx.us/documents/TXGSPrrtr2127374278443786025.pdf>.

¹⁰ “The Economic Review of Travel in America 2005 Edition.” Travel Industry Association of America. Washington, DC: Travel Industry Association of America 2005.

Skill sets required in the tourism industry are extensive and varied. The following skill list includes those identified by the New Zealand Ministry of Tourism as integral in the tourism industry.¹¹

- Excellent customer service; including a warm, friendly attitude
- Sensitivity to other cultures
- Language skills
- Ability to multi-task
- Ability to work effectively in teams
- Strong work ethic
- Leadership qualities, management & planning skills
- Conflict resolution, including the ability to handle difficult people
- Information technology skills
- Financial management
- Business analysis and development
- Product knowledge
- Quality control
- Sales skills
- Compliance awareness

2.3 Compensation in the Tourism Industry

The tourism industry generates billions of dollars in wages in the U.S. annually. According to TIA, wages and salaries paid by travel-related firms in the U.S. in 2004 equated to \$163.3 billion. Compensation ranges from minimum wage to top corporate executive salaries.

Table 2.3 depicts the average annual compensation for tourism positions in Monroe County as reported by respondents on our tourism worker survey. As a basis for comparison, in Appendix E of this study, average compensation for tourism occupations in South Florida is presented.

¹¹ Business and Economic Research Limited. "Tourism Workforce and Skill Projections." Oct. 2004. URL: <http://www.tourism.govt.nz/policy/pol-reports/pol-workforce-skills/WorkforceAndSkillsOct2004.pdf>.

Table 2.3 Average Annual Compensation, Monroe County Tourist Occupations

Restaurant & Bar		Lodging		Retail	
	Mean		Mean		Mean
Server	\$34,526	Front desk	\$30,816	Clerk or Associate	\$25,867
Bartender	\$36,530	Reservations	\$23,648	Supervisor	\$45,667
Hostess/Host	\$32,400	Supervisor	\$23,648	Security	\$42,900
Busperson	\$21,667	Concierge	\$31,375	Management	\$47,000
Chef or Cook	\$36,407	Bellhop	\$35,000		
Security	\$40,250	Housekeeping	\$26,571		
Entertainment	\$48,333	Maintenance	\$35,644		
Back-of-the house	\$24,184	Security	\$31,000		
Supervisor	\$35,000	Accounting Staff	\$43,531		
Management	\$56,665	IT Staff	\$51,000		
Accounting Staff	\$51,800	Sales & Catering	\$47,797		
Events/Catering	\$34,800	Management	\$52,699		
Other Office	\$20,540	Other office Staff	\$31,667		
Other	\$38,533	Other	\$32,501		

Attraction/Activity		Information Center/Visitor Service	
	Mean		Mean
Tour Guide	\$36,800	Supervisor	\$47,875
Ticket Sales	\$35,417	Concierge	\$35,000
Tour Driver	\$37,000	Accounting	\$26,000
Lecturer/Naturalist	\$23,444	Marketing/Sales	\$46,778
Supervisor	\$45,633	Other office staff	\$47,667
Captain	\$45,179	Other	\$41,096
Mate	\$31,500		
Accounting	\$43,037		
Dive Master	\$40,500		
Dive Instructor	\$21,000		
Management	\$48,146		
Other Office Staff	\$29,561		
Other Office Staff	\$38,239		

Source: Monroe County Tourist Development Council

PART III: MONROE COUNTY SITUATION ANALYSIS

Section 1: Monroe County's Workforce

1.1 Quantity and Composition of Monroe County's Workforce

The US Department of Labor, Bureau of Labor Statistics (BLS) provides employment data quantifying Monroe County's workforce. This data includes the number of **jobs** under payroll by employers in Monroe County. It is not derived from **residency** in Monroe County. As BLS explains "persons are counted at their place of work rather than at their place of residence; those appearing on more than one payroll are counted on each payroll."¹² In other words, BLS data will count each job held by a person, if multiple jobs are held, as employment. It will also count those jobs held by people residing outside Monroe County, but employed by a Monroe County business (i.e. included in a Monroe County payroll).

As a basis of comparison, the State of Florida's Agency for Workforce Innovations Labor Market Statistics (LMS) provides data on employment based on **residency** of workers. Data is the "total number of employees located in Monroe County."¹³ Therefore, the LMS data reflect employment of Monroe County **residents**.

The following table compares annual BLS employment estimates from 2000 to 2005, that is Monroe County payroll, to LMS employment estimates from the same time period, that is Monroe County resident employment:

Table 3.1 Monroe County Employment

Year	BLS Data Based on payroll, counts multiple jobs as multiple employment	LMS Data Based on residency	Difference
2000	43,901	36,809	7,092
2001	44,840	37,196	7,644
2002	44,625	36,824	7,801
2003	44,785	36,921	7,864
2004	44,423	36,402	8,021
2005	43,372	35,895	7,477

Source: US Department of Labor, Bureau of Labor Statistics.
State of Florida's Agency for Workforce Innovations Labor Market Statistics (LMS)

As one can observe, the LMS and BLS figures differ by 7,000 to 8,000 jobs. The average difference from 2000 to 2005 was 7,650. This difference is a factor of three things, employment of non-Monroe County residents by Monroe County businesses (BLS),

¹² U.S. Department of Labor, Bureau of Labor Statistics. www.bls.gov

¹³ State of Florida's Agency for Workforce Innovations Labor Market Statistics <http://fred.labormarketinfo.com>

persons working multiple jobs (BLS) and Monroe County residents working outside of Monroe County (LMS). This leads to the question of how can we estimate what extent each of these factors accounts for the difference in these numbers. This also leads us to answer one of our research questions, how many persons are employed by Monroe County businesses that either physically commute or telecommute to work?

Census 2000 data as compared to the BLS and MLS figures reveals how many Monroe County workers held multiple jobs, how many Monroe County Workers commuted to work outside of our County and how many non-Monroe County residents commuted into Monroe County to work.

In 2000, the Monroe County workforce was comprised of:

- 34,873 Monroe County residents holding one job
- 4,808 Monroe County residents holding multiple jobs (14% of Monroe County residents working in Monroe).
- 4,225 non-Monroe County residents commuting (either physically or telecommuting) to work in Monroe County

Outside of Monroe County's workforce estimates was 1,795 Monroe County residents commuting to work (physically or telecommuting) outside of Monroe County. In other words, in 2000 the Monroe County workforce broke down as follows:

Table 3.2 Monroe County Workforce

Work Force Category		Percentage of Monroe Workforce
Monroe County Residents	Holding one job in Monroe County	79%
	Holding multiple jobs in Monroe County	11%
	Total Monroe County	90%
Non-Monroe County Residents		10%

Source: Census 2000, US Department of Labor, Bureau of Labor Statistics. State of Florida's Agency for Workforce Innovations Labor Market Statistics (LMS)

If we assume these work patterns occur in the same ratios today, then we can estimate in 2005 our workforce was comprised of:

- 34,261 Monroe County residents holding one job
- 4,774 Monroe County residents holding multiple jobs
- 4,337 non-Monroe County residents commuting (either physically or telecommuting) to work in Monroe County.

Outside of Monroe County's workforce estimates was 1,794 Monroe County residents commuting to work (physically or telecommuting) outside of Monroe County.

However, there is much evidence to support a shift may have occurred in these ratios since 2000. As wages have increased in Monroe County, more workers may have been retained as well as enticed to commute in. As prices have increased, more workers may have opted to take multiple jobs to meet expenses. Below, we'll further examine each of these as well as present a revised finding of current employment ratios.

1.1.1 Commuting Worker Patterns of Non-County Resident Workers

In 2000, there was an estimated 4,225 workers, or 10 percent of our workforce, commuting into Monroe County both physically and virtually. The largest influx of non-Monroe County commuting workers was from Miami-Dade County, specifically the Florida City/Homestead area. That area has seen an explosion in population since 2000¹⁴. Homestead population is estimated to have increased by 39.4 percent or 12,585 people, since 2000. Florida City's population is estimated to have grown by 13.6 percent, or 1,070 people, since 2000. Florida Keys businesses generally offer a higher wage than their Florida City/Homestead area counterparts.

JGT buses, subsidized by Miami-Dade, travel 80 miles from Florida City through to the Middle Keys carrying mainland workers. A recent article in the *Key West Citizen* by business editor Stacey Rodriguez compared wages in the Florida Keys to its neighboring worker pool area (Florida City/Homestead). Jobs paying \$10 to \$11 per hour in the Keys garnered minimum wage back on the mainland. According to Rodriguez, this opportunity for higher wages motivated 750 JGT passengers each week day to spend the travel time commuting. For one worker interviewed by Rodriguez, that was eight hours per day. The total passenger trips taken on JGT buses in 2005 were 168,000.

Analyze of LMS and InfoUSA data reveals an approximate 2,280 Monroe County Tourism jobs are held by non-Monroe County residents (physically or virtually commuting). That is about 15% of all tourism jobs.

According the results of our tourism employer survey, isolating the districts of the Keys shows the Upper and Middle Keys have higher rates of employing commuters. 53 percent of District IV respondents and 47 percent of District V respondents employed physical commuters. The proximity of main-land workers to these districts and public transportation routes explains the variance. There was also a higher incidence of employing telecommuters in some districts. 17 percent District III respondents and 23.8 percent of District IV respondents employed telecommuters.

¹⁴ Source: www.city-data.com

1.2 General Profile of Tourism Workers

The majority of tourism workers (60%) have lived in the Keys for more than five years. The remainder (40%) has lived in the Keys for less than five years. The average tourism workers' household includes two adults (68% households more than two adults, 32% single adult household). About 1 out of every 5 tourism worker households includes children. Most have one child. Roughly a quarter of tourism workers are in their teens to twenties; a quarter in their thirties; a quarter in their forties; and the remainder in their fifties and above.

The average tourism worker works 48 hours a week. Roughly 25 percent of tourism workers are earning minimum wage to \$24,999 per year, 25% earn \$25,000 to \$34,999 per year, 25% earn \$35,000 to \$49,999 and the remainder earn \$50,000 or more. The average income earned by tourism workers is \$40,458 a year.

One out of every four tourism workers is new to the industry with three years or less experience. The same amount, one out of every four, is a very experienced career tourism worker bringing fifteen years or more tourism industry experience. The remainder (50%) has over three years experience, but less than fifteen. The average worker also has some college education or a college degree (66%). Most work within the same district they reside (83%). 17 percent commute between districts.

Most tourism workers (78%) feel that their skill level and background match their current job and the duties that are required of them. Most report being satisfied overall with their job (78%), their immediate boss or supervisor (78%), their job security (75%), the amount of work required of them (74%) and the flexibility of their hours (71%). They are less often satisfied with the recognition they receive (63%), amount of money they earn (54%), their chances for promotion (51%) and health benefits (40%).

1.2.1 Monroe County Workers Holding Multiple Jobs

In our analysis of census data, BLS data and LMS data, we extrapolated the number of Monroe County residents working multiple jobs to be 4,808. That equates to 14 percent of employed Monroe County residents earning pay in Monroe. The results of our tourism workers survey show a much higher percentage of Monroe County workers holding multiple jobs. 32 percent of tourism workers reported holding multiple jobs. Most often this equates to two jobs (26%), though some report holding more than two jobs (7%). Tourism businesses were aware of the multi-tasking workforce, with their average response of 29 percent of employees working multiple jobs fairly consistent with the worker response. So prevalent is multiple jobs within

the tourism community that 84 percent of all tourism businesses reported having at least one employee who holds multiple jobs.

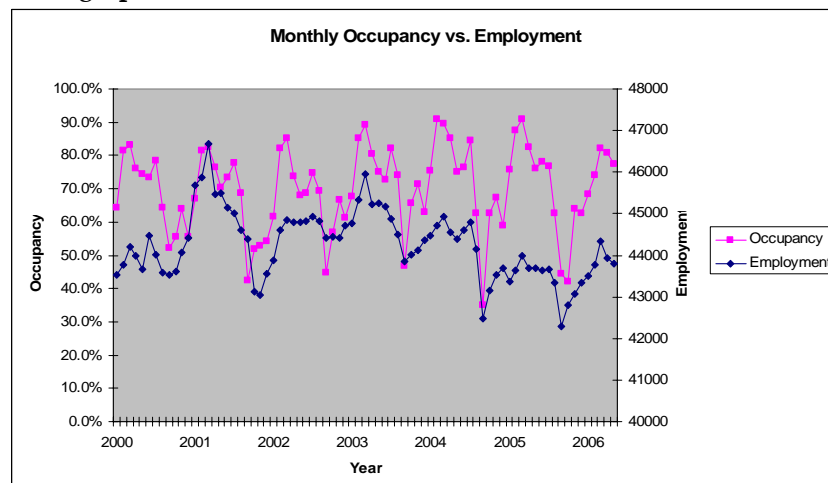
The difference between the 2006 tourism worker percentage of multiple jobs, 32 percent, and the 2000 census, 14 percent, may be demonstrative of a significant increase in the number of Monroe County residents working in Monroe holding multiple jobs. Given that our survey was only tourism workers, it is uncertain whether this high percentage would persist across all industries. It is important to note, however, that for about 10 percent of our multi-job respondents only their part-time job was tourism related. For these multi-job respondents, other industries were their full-time employers. This is evidentiary of multiple jobs existing outside of the tourism industry.

Therefore, if we conclude the results of our tourism worker and employer surveys are more indicative of the current ratios of multi-job workers and commuters, our workforce breakdown becomes:

- 26,047 Monroe County residents holding one job
- 11,253 Monroe County residents holding multiple jobs
- 6,072 non-Monroe County residents commuting (either physically or telecommuting) to work in Monroe County.

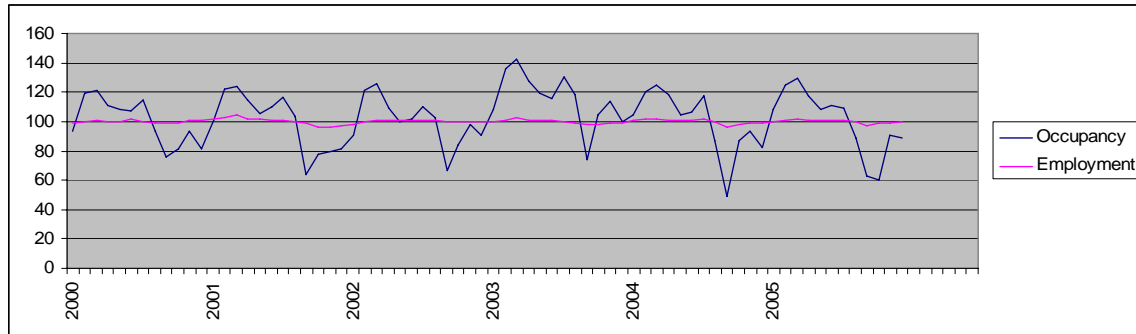
1.3 Seasonality of Monroe County's Workforce

Monroe County's employment and workforce levels do fluctuate with the seasonality of its tourism industry. The graph below, derived from Smith Travel Research and BLS data, compares the seasonality of Monroe County's tourism to the seasonality of its employment. As one can see, they move fairly concurrently. However, post September 11th employment numbers have not regained in strength as occupancy has. Winter season 2001 is the last peak for employment numbers. Even when occupancy reached an all-time in winter 2005, employment still lagged behind pre-September 11th levels.



To further demonstrate the link between tourism seasonality and employment seasonality, the following graph (graph 3.1) is a seasonality index for the two figures. As one can see, occupancy has much stronger variation by season, or seasonality, than employment. Employment remains closer to the index (or annual average) than occupancy.

Graph 3.1 Seasonality Index: Monroe County Employment vs. Monroe County Occupancy



Source: Smith Travel Research, BLS

1.4 Employment by Industry

The State of Florida's Agency for Workforce Innovations Labor Market Statistics (LMS) provides data on employment by industry. The following employment (table 3.3) is estimated by LMS for tourism industry Groups. Note: as this data is derived from LMS, it only represents Monroe County resident employment. Employees who do not reside in Monroe County are not included in these figures.

Table 3.3 Monroe County Tourism Industry Employment

NAICS Category	Employment
Hotels and Motels	4,231
Full-Service Restaurants	3,718
Limited-Service Restaurants	881
Drinking Places (Alcoholic Beverages)	612
Marinas	498
Gift, Novelty, and Souvenir Stores	486
Real Estate	369
Sightseeing (land and water), Taxis, Transportation	368
All Other Amusement and Recreation	272
RV Parks and Campgrounds	205
Fitness and Recreational Sports Centers	148
Bed-and-Breakfast Inns	145
Nature Parks & Other Similar Institution	133
Museums	85
All Other Traveler Accommodation	81

Table 3.3 Monroe County Tourism Industry Employment Continued

Rentals -Cars	76
Snack and Nonalcoholic Beverage Bars	67
Golf Courses and Country Clubs	61
Musical Groups and Artists	37

Source: Florida's Agency for Workforce Innovations Labor Market Statistics

1.5 Worker Demand

Unemployment in Monroe County historically has been both below Florida (state-wide) and United States (country-wide) levels. The following table compares Monroe County unemployment rates to both Florida and U.S. levels.

Table 3.5 Unemployment rates: Monroe County, State of Florida and United States

Year	Monroe County	Florida	United States
2000	2.9	3.8	4.0
2001	3.4	4.7	4.7
2002	4.1	5.7	5.8
2003	3.5	5.3	6.0
2004	3.3	4.7	5.5
2005	3.0	3.8	5.1

Source: BLS

1.6 Guest Workers

Guest workers are also utilized to fulfill Monroe County's worker needs. A guest worker is a foreign national who is permitted to enter the United States temporarily in order to take a job for which there is a shortage of domestic labor. According to the results of our employer survey, Guest Workers are predominantly used in Lodging and Bar/Restaurants within District I. There is little use of Guest Workers reported outside of these business types.

Type of Business	Percentage of respondents employing Guest workers
Lodging	41%
Bar/Restaurant	37%
Retail	4%
Info Center/Visitor Service	0%
Water Activity/Attraction	3%
Land Activity/Attraction	5%
Other, Tourism Related	0%

Table 3.6 Districts where businesses report employing Guest Workers (where district given):

District	% of respondents employing guest workers
District I	27%
District II	0%
District III	15%
District IV	15%
District V	17%

Source: Monroe County Tourist Development Council

Table 3.7 Nationality of Guest Workers as reported by respondents:

Guest Worker Area of Origin	Number of Business Employing
Western Europe (U.K. France, Netherlands, Spain, etc.)	6
Eastern Europe (Poland, Czechoslovakia, Ukraine, Russia, etc.)	33
Central America (Costa Rica, Guatemala, Honduras, Nicaragua, etc.)	13
Caribbean (Cuba, Dominican Republic, Haiti, Bahamas, Jamaica, etc.)	9
Australia/Oceania Countries (Polynesia, New Zealand, etc.)	4
North America (Canada, Mexico)	13
Africa (South Africa, Ethiopia, Niger, etc.)	0
Asia (India, Cambodia, China, etc.)	2
Middle East (Iran, Israel, Saudi Arabia, etc.)	0

Source: Monroe County Tourist Development Council

Reliance on Guest Workers for fulfilling shortages of labor can be problematic. To begin with there are a finite, relatively small number of Guest Workers permitted to work in the United States and competition for the workers can be strong.

In a recent article in the Tampa Tribune, immigration lawyer Rebehak Poston of Squire, Sanders & Dempsey in Miami discussed the difficulties in employing guest workers. According to Poston, “obtaining visas for foreign workers is expensive and can take up to six months...the government issues only 66,000 nonimmigrant visas each year for skilled, nonprofessional workers, and hotels aren’t the only companies clamoring for those employees. Agricultural firms, horse farms, fisheries, foresters – even sports teams – also rely on nonimmigrant workers.”¹⁵

Recent immigration reform efforts by the government also pose a potential threat to the use of Guest Workers by tourism businesses. Various organizations, such as the American Hotel and Lodging Association and the National Restaurant Association, have been lobbying hard to assure that immigration policies do not detrimentally affect guest worker programs. “The White House favors a [immigration] reform including a guest worker program that would ease access to the U.S. job market for

¹⁵ Simanoff, Dave. “Hotels plagued by staff vacancies.” The Tampa Tribune. 30 Jan. 2005.

millions of immigrants. However, lawmakers in Congress are pressing for tougher immigration legislation that...would emphasize border control instead of a guest worker program.”¹⁶

1.7 Longevity of workforce

According to our data, most professional and managerial workers remain with employers for an average period of three to five years. For all other job categories, most employees averaged one to two years longevity with their employers.

Category	Top Response (Mode)
Customer Service/Front-line	1 Year to <2 Years
Operational	1 Year to <2 Years
Professional/Office	3 Years to <5 Years
Managers and Supervisors	3 Years to <5 Years
Overall	1 Year to <2 Years

Our research also showed the majority of workers had resided in the Keys for more than five years (60%). The average residency breaks down as follows:

Table 3.8 Employee residency in the Florida Keys

Years	Percentage
1 to 5 years	40%
> 5 to 10 years	21%
> 10 to 15 years	13%
> 15 to 20 years	10%
Over 20 years	16%

The length of current residency was somewhat a factor in predicting the expected rate of continued Monroe County residency; an important component of future longevity in current position. Tourism workers who have resided in the Keys for five years or less were the least likely to remain in the Keys. About one out of every two, or 47 percent, of tourism workers who had resided in the Keys for five years or less said they were unlikely to remain in the Keys. Tourism workers who had resided in the Keys from six years to fifteen years had about average response rates for future residency in the Keys, three out of every five were unlikely to remain (39% - 6 to 10 years residency, 41% - 11 to 15 years residency).

Tourism workers who had lived in the Keys twenty years or more were most likely to remain in the Keys. This may be due to the fact that this group was the least housing cost burdened; a predictive factor in relocation. Though about a quarter of these twenty plus years to life long residents still anticipated leaving the Keys, or one out of

¹⁶ Milligan, Michael. "Hotel Industry Takes Stance On Immigration Reform. Travel Weekly. 3 Apr. 2006.

every four (27%). The loss of this resident group in particular risk cultural drain from the Keys. Cultural drain occurs when resident relocation, particular native residents, results in the loss of cultural traditions. The Keys unique culture is important component of both the fabric of its community and its tourism product.

1.8 Workforce costs of residing in Monroe County

Monroe County is an expensive community to live in. In fact, according to a Retail Price Index created by the Bureau of Economic and Business Research at the University of Florida, it is the most expensive county to live in in Florida.

The Florida County Retail Price Index (FCRPI) “is an index of the relative income required to purchase the same basket of goods and services purchased by the average Floridian in each of Florida’s counties at a particular point in time”¹⁷ In other words, if in each county in Florida on the same day a person went “shopping”, bought the same goods and tallied up their bill, then compared how much relative income it cost to buy each county’s basket of goods. This “shopping basket” actually consists of housing, transportation, food & beverage, medical care and other goods and services.

The 2004 FCRPI ranked Monroe County as the most expensive county in Florida. It would cost an average person in Monroe County about 13 percent more to purchase the same “basket of goods” (food, medical care, housing, transportation, other goods and services) than the average person in the state. Among the five categories included in the FCRPI, Monroe County’s price levels were higher than the state averages in all five categories. The percentage Monroe County’s goods variance from the state average breaks down as follows:

Table 3.9 2004 Florida County Retail Price Index,
 Percentage Monroe County goods varied from state average.

Category	Food	Medical Care	Housing	Other Goods & Services	Transportation	Total
Percentage higher than State Average	5%	3%	31%	1%	0.4%	13%

In our survey of both tourism workers and tourism employers, we explored the impact of residing and working in the most expensive county in Florida. In the following sections we explore this in more detail by FCRPI.

¹⁷ 2004 Florida County Retail Price and Wage Indices. Bureau of Economic and Business Research at the University of Florida.

1.8.1 Monroe County Housing

Housing costs influence tourism workers' decisions to remain in the Keys. Four out of every five tourism workers are housing cost burdened (80%), i.e. they are paying more than 30 percent of their income toward housing costs. We found the majority of tourism workers are housing cost-burdened across all groupings of workers; including from new residents to lifelong residents; from entry-level employees to professional; District I to District V. These groupings are explored in later detail in this section.

This high cost of housing is influencing the resident exodus. In grouping tourism workers by housing costs, as housing cost burden increased, so does the likelihood the tourism worker will leave the Keys. Tourism workers who are severely housing cost burdened were most likely to leave the Keys (43%). The majority of tourism workers who plans to leave the Keys are doing so because of the cost of housing here in the Keys (40%¹⁸ current home cost, 56% current rent cost, 51% cost of market rate housing) and the enticement of lower cost housing elsewhere (51.7%).

Affordable workforce housing has been in insufficient supply in Monroe County for many years. The Division of Community Affairs funded a University of Florida Shimberg Center for Affordable Housing Study to quantify the deficit of affordable housing in the City of Key West in 1995. The Shimberg Center study concluded a deficit existing of 4,192 affordable housing units. In order for housing to be considered affordable, the amount spent on the housing should not exceed 30 percent of the worker's income. The Shimberg Center study results indicate there were 4,192 Key West households paying more than 30 percent of their income for their housing expenses in 1995.

Since this study, both home prices and rents have increased substantially throughout the County. From 1996 to 2004, according to Shimberg Center data, the average single family home price rose 182 percent to \$500,000. Year to date in 2006, the average listing price for real estate in Monroe County has risen to \$1 million.¹⁹ In other words, the average real estate listing price is nearly three-quarters of a million dollars higher than what would be affordable for the average household.

The result of this housing market is that today, according to Shimberg Center estimates, 10,072, or 28 percent, of Monroe County's households are "cost-burdened". In other words, 10,072 households in Monroe County are paying more than 30

¹⁸ Note: As respondents can select up to five top factors, percent of cases is reported. In other words, 40% of respondents selected "the cost of owning my home" among the top five factors of why they were leaving the Keys. Percentage do not add up to one hundred.

¹⁹ "Tropical Breezes: The Real Estate Newsletter of the Florida Keys". Coldwell Banker Schmitt. Summer 2006. URL: <http://www.realestatefloridakeys.com>

percent of their income for housing and their housing is therefore not affordable. 4,099 of these households are severely cost-burdened, paying 50 percent or more of their household income toward housing costs. The following table depicts the Shimberg Center estimates.

Table 3.10 Households by Cost Burden, Monroe County 2005

Households	Amount of Income Paid for Housing Number of Households and Percentage			
	0-30% - Affordable	30-50% -Cost Burdened	50% or more – Severely Cost Burdened	Total Cost Burdened
	25,477 (72%)	5,973 (17%)	4,099 (11%)	10,072 (28%)

Source: University of Florida, Shimberg Center for Affordable Housing

Our tourism industry respondents reported an even higher percentage of housing cost burden than the Shimberg Center county-wide estimated average. As introduced earlier, 80 percent, or four out of every five tourism worker respondents, reported they were housing cost burdened. The table 3.11 depicts response by housing cost burden.

Table 3.11 Tourism Employee Housing Cost Burden, Monroe County

Tourism Workers	Amount of Income Paid for Housing Number of Tourism Workers and Percentage			
	0-30% - Affordable	30-50% -Cost Burdened	50% or more – Severely Cost Burdened	Total Cost Burdened
	20% (142 respondents)	41% (284 respondents)	39% (270 respondents)	80% (696 respondents)

Source: Monroe County Tourist Development Council

The predominance of housing cost burden was across all districts of residency in Monroe County. All district's results were close to 80 percent housing cost burden, with Marathon reporting a little higher housing cost burden (84%) and Key Largo reporting a little lower (76%).

Table 3.12 Tourism Employee Housing Cost Burden by District

District	Amount of Income Paid for Housing Number of Tourism Workers and Percentage			
	0-30% - Affordable	30-50% -Cost Burdened	50% or more – Severely Cost Burdened	Total Cost Burdened
District I	21%	42%	37%	79%
District II	18%	38%	44%	82%
District III	17%	27%	56%	83%
District IV	21%	49%	30%	79%
District V	24%	41%	35%	76%
Average	20%	41%	39%	80%

Source: Monroe County Tourist Development Council

A predominance of housing cost burden was also true across all ranges of residency in the Keys from new residents to lifelong residents. Workers with six to ten years of residency in the Keys reported the highest rate of housing cost burden (85% housing cost burden, 50% severely).

Table 3.13 Tourism Employee Housing Cost Burden by Years of Residency

Years	Amount of Income Paid for Housing Number of Tourism Workers and Percentage			
	0-30% - Affordable	30-50% -Cost Burdened	50% or more – Severely Cost Burdened	Total Cost Burdened
0-5	21%	42%	37%	79%
> 5-10	15%	35%	50%	85%
> 10-15	22%	47%	31%	78%
> 15-20	26%	36%	38%	74%
20+	22%	43%	35%	78%
Average	20%	41%	39%	80%

Source: Monroe County Tourist Development Council

A predominance of housing cost burden was also true across all job categories. Customer Service/Front-line employees reported the highest rate of housing cost burden (80%).

Table 3.14 Tourism Employee Housing Cost Burden by Years of Residency

Job Category	Amount of Income Paid for Housing Number of Tourism Workers and Percentage			
	0-30% - Affordable	30-50% -Cost Burdened	50% or more – Severely Cost Burdened	Total Cost Burdened
Customer Service/Front Line	20%	34%	46%	80%
Operational	23%	49%	28%	77%
Professional/Office	22%	44%	34%	78%
Manager and Supervisors	25%	40%	35%	75%
Average	20%	41%	39%	80%

Source: Monroe County Tourist Development Council

The Shimberg Center further breaks down their data to show housing cost burden county-wide by homeowner/renter status. Renters are more likely to be housing cost burdened than home owners. 38 percent of renters were estimated to be housing cost burdened versus 23 percent of home owners. For our tourism worker respondents, there was not a difference in cost burden among the two. Both group reported 80 percent were cost burdened. However, homeowners were more likely to report being severely cost burdened than renters (45% homeowners vs. 36% renters). The following table depicts the Shimberg Center estimates of housing cost burden by homeowner/renter status:

Table 3.15 Households by Homeowner/Renter Status and Cost Burden, Monroe County 2005

Households	Amount of Income Paid for Housing Number of Households and Percentage			
	0-30% - Affordable	30-50% -Cost Burdened	50% or more – Severely Cost Burdened	Total Cost Burdened
Owner	17,200 (77%)	3,159 (14%)	1,850 (9%)	5,009 (23%)
Renter	8,277 (62%)	2,814 (21%)	2,249 (17%)	5,063 (38%)

Source: University of Florida, Shimberg Center for Affordable Housing

The Shimberg Center also breaks down their data to show housing cost burden by household income. Income is shown as a percentage of median income, which for Monroe County is estimated by HUD to be \$61,000 for a family of four. As the following table shows, the most housing cost burdened income group makes less than 30% of median income, or less than \$18,000 for a family of four. 67 percent of this group is housing cost burdened. The second most cost burdened group is households who make 30 percent of median income to less than 60 percent, or \$18,000 to \$36,600 for a family of four. The remainder of income groups housing cost burden is shown in table 3.16:

Table 3.16 Household Cost Burden by Household Income, Monroe County 2005

Household Income	Amount of Income Paid for Housing Number of Households and Percentage			
	0-30% - Affordable	30-50% -Cost Burdened	50% or more – Severely Cost Burdened	Total Cost Burdened
less than 30% of median income*	1,094 (33%)	489 (14%)	1,773 (53%)	2,262 (67%)
30- < 60% of median income*	2,194 (45%)	1,419 (28%)	1,320 (27%)	2,739 (55%)
60 to < 80% of median income*	2,490 (58%)	1,398 (33%)	400 (9%)	1,798 (32%)
80%+ of median income*	19,699 (86%)	2,667 (12%)	606 (2%)	3,273 (14%)
Total	25,477 (72%)	5,973 (17%)	4,099 (11%)	10,072 (28%)

* Note: HUD estimated median income for a family of four in Monroe County is \$61,000

Source: University of Florida, Shimberg Center for Affordable Housing

The following table (3.17) further demonstrates the cost of housing in Monroe County. As one can see, the average listing price year to date for property in most districts exceeds \$1 million. The average sales price for all districts year to date exceeds \$715,000.

Table 3.17 Florida Keys Real Estate Market, first half of 2006 vs. 2005

	<u>Upper Keys</u> (Lower Matecumbe to Key Largo)	<u>Middle Keys</u> (7 Mile Bridge to Long Key)	<u>Lower Keys</u> (Bay Point to Big Pine)	<u>Key West</u> (Key West to Shark Key)	<u>All Areas</u> Keys Wide
Green (+) Red (-)					
Avg. Sales Price As of 6/30/06:	16% More \$788K	11% More \$828K	22% More \$717K	6% Less \$893K	2% More \$762K
Avg. List Price Properties "For Sale" As of 6/30/06:	2% More \$1.2MM	11% More \$1.1MM	18% More \$760K	13% Less \$1.MM	3% Less \$1MM
Number of Properties "For Sale" As of 6/30/06:	32% More 884	127% More 978	102% More 1,029	73% More 1,690	69% More 3,776

Source: Tropical Breezes Real Estate Newsletter as gathered by Tri-Services Multiple Listing Services (MLS) Board Key Largo to Key West

1.8.2 Other Housing Costs

Beyond the burden of actual home prices, other homeownership expenses are also increasing. Windstorm insurance, most notably, has recently substantially risen and has become a barrier to home ownership. The Florida Office of Insurance Regulation recently held an evidentiary hearing in Key West on Monroe County windstorm insurance rates filed by Citizens Property Insurance Corporation (CPIC). An actuary hired by Monroe County testified that the Citizen's proposed rate of \$25.40 per \$1,000 in coverage for Monroe County windstorm insurance is 50 percent higher than Monroe County's rate should be.

This filing was following an earlier rejection by Florida Insurance Commissioner Kevin McCarty of an even higher rate proposal of \$28 per \$1,000 for Monroe County. A local grassroots activist group, F.I.R.M.²⁰ (Fair Insurance Rates in Monroe County) had formed following the earlier filing to educate on the impact of windstorm rate increases and advocate for fair insurance rates. Heather Carruthers testified on behalf of F.I.R.M at the evidentiary hearing.

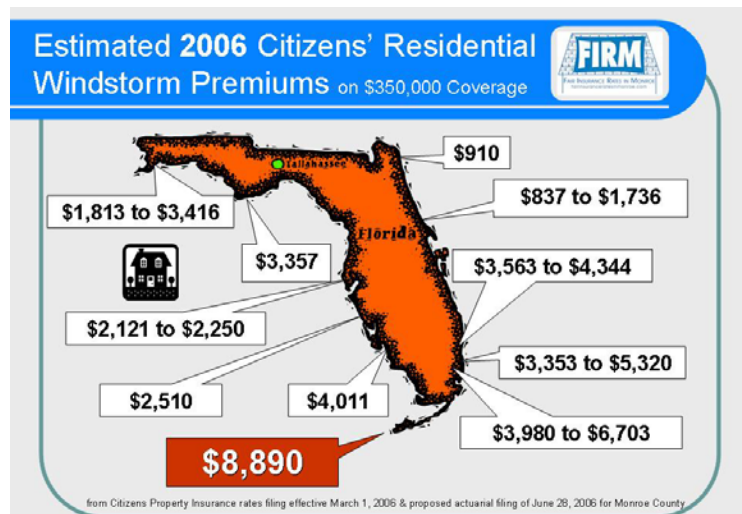
According to Carruthers' testimony, windstorm insurances rates for Monroe County customers have increased from about \$9.11 per \$1,000 valuation three years ago (2002-2003) to \$19.81 per \$1,000 valuation today (2006). F.I.R.M.'s data, as presented by Carruthers, was gathered from surveying over 300 Monroe County resident's windstorm insurance bills.

²⁰ www.fairinsuranceratesinmonroe.com

With an average single family home taxable value in Monroe County of 2005 of \$447,000²¹, that equates to a windstorm insurance bill alone of \$8,855 or \$738 per month. A house of that same value three years ago would have been paying \$4,072 or \$339 per month. That equates to an increase of 118 percent in three years. Obviously, most households' income, if not all, did not increase at the same rate in order to cover this expense.

According to F.I.R.M., Monroe County residents pay the highest windstorm insurances rates among all Florida areas covered by Citizens. The following graphic prepared by F.I.R.M, table 3.18, demonstrates the higher costs paid by Monroe County residents for windstorm insurance.

Table 3.18



Source: F.I.R.M.

Windstorm insurance rate increases are also a threat to market rate rental stock and affordable housing rental stock. According to testimony at the evidentiary hearing by Manuel Castillo, director of both the Monroe County Housing Authority and the City of Key West Housing Authority, the Housing Authority has had to resort to self-insurance into order to assure the continued affordability of their rental stock.

Under the Housing Authority are 1,100 units of lower income to moderate income rental housing from Key Largo to Key West. Their largest affordable housing site's windstorm insurance bill in 2006 increased from \$59,000 to \$287,000. The cost burden, if passed onto renters, would have been \$155 per unit. The Housing Authority could not afford to absorb the 350 percent increase in windstorm insurance. Nor, could the Housing Authority increase unit rents by \$155 per unit as that would have exceed affordable housing guidelines which they are rented under. According to

²¹ Calculated based on data provided by Monroe County Tax Appraiser, ptax1 value for all parcels under PC code 1, or single family home residential.

Mr. Castillo, the Housing Authority concluded they had no choice but to self insure the property.

This dilemma is likely to play out for rental properties across the Keys. However, where rent increases are not restricted by affordable guidelines, increased costs will likely be passed onto renters. To reiterate our tourism worker survey results, 80 percent of tourism worker renters are already cost burdened. Citizens had also filed rate increases for condominiums as part of a commercial rate increase. The increases would have been an average increase of 292 percent for Key West and 330 percent for the remainder of Monroe County if approved.

The increasing windstorm rates are influencing the exodus of Monroe County tourism workers. Among the tourism worker homeowners who listed housing costs are a reason for a planned relocation from Monroe County in their survey response, windstorm insurance was the aspect of their home ownership cost most often selected as having the strongest influence on their relocation plans (47%).

The windstorm insurance rate increases have had an impact on housing market sales and supply. Realtors report an increase in housing stock in part due to windstorm insurance increases pushing some homeowners' housing costs beyond rates which they can bear. Also reported are buyers backing of deals and increasing time on the market. The following table (table 3.19) depicts the effect of windstorm insurance rates, among several other factors, on housing stock for sale surpassing home sales.

Table 3.19 Florida Keys Real Estate Market, Property Supply vs. Properties Sold



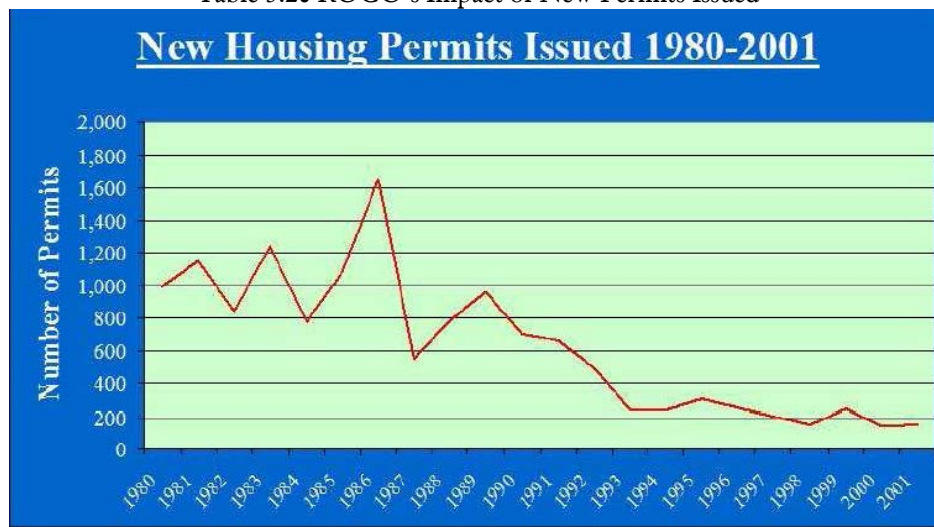
Source: Tropical Breezes Real Estate Newsletter
as gathered by Tri-Services Multiple Listing Services (MLS) Board Key Largo to Key West

1.8.3 Future projections of Monroe County housing deficit

The Shimberg Center estimates in 2005, there were 29,257 single family homes and 9,199 multi-family units in Monroe County. To meet housing demands projected over the next ten years, the Shimberg Center projects that Monroe County will need an additional 2,633 housing units. This estimate is not an estimate of affordable housing needs, which is not segregated in these calculations, but rather sheer housing demand. It included here to demonstrate the likelihood of housing unit shortfalls persisting and thereby further increasing housing costs.

To put this demand in perspective, it would equate to about 263 units per year. ROGO, or rate of growth ordinance, has restricted the number of all new development since 1992. The number of permits for new development has been 255 or less since ROGO's inception. Since 2000, the number of permits for housing development has dipped below 200 as depicted in table 3.20 below. If all new permits issued for the next 10 years were strictly for residential use and were issued at the 255 max per year rate, there would still be a shortfall of units. At current rates of less than 200 residential housing permits per year, the housing unit shortfall would be upwards of 630 units.

Table 3.20 ROGO's Impact of New Permits Issued



Source: Monroe County Growth Management Division Layman's Guide to Rogo

While recent trends in the housing market have been increased supply for sale, the price (as noted earlier an average of \$1 million) is still exceeding affordability thereby continuing the shortage of affordable workforce housing.

1.8.4 Medical Care Costs

Monroe County offers few options for medical insurance carriers. Insurance premiums are at a high. According to the findings of the Health Council of South Florida's Monroe County Health Profile, in 2004 one-fifth (20%) of Monroe County's non-elderly population was uninsured.

Offering medical benefits and merit raises as incentives are the programs Monroe County tourism employers have found, when put in place, most successful in fulfilling their staffing needs. However, most tourism employers do not offer medical benefits (56%). For those that do offer medical benefits, and are finding this a successful retention tool, most often 50 percent of medical benefit costs are covered by the employer.

Section 2: Workforce Demand

2.1 Adequacy of Workforce

Tourism employers are most satisfied with the adequacy of the skill level of their management/executive employees (86%) and professional/office employees (80%). They are less satisfied with the adequacy of the skill level of the remaining employee groups; customer service/front-line (63%), operational (74%).

Table 3.21 Satisfaction with Current Workers vs. Applicant Pool

Worker Category	Current Workers			Candidate Selection		
	Unsatisfied	Neutral/Undecided	Satisfied	Unsatisfied	Neutral/Undecided	Satisfied
Customer Service/ Front-line	25%	12%	63%	80%	6%	14%
Operational	11%	15%	74%	72%	10%	18%
Professional/Office	4%	16%	80%	66%	15%	19%
Management/Executive	3%	11%	86%	60%	17%	23%

About four out of every five tourism employers are satisfied with the customer skill level of their customer service/front-line employees. The remainders are dissatisfied (16%) or neutral/undecided (8%).

Tourism employers are not satisfied with the overall *quality* of Monroe County applicant pool (80%) or with the overall *quantity* of the Monroe County applicant pool (84%). For all four employee groups, most tourism employers are not satisfied with Monroe County's candidate selection. Customer service/front-line candidates are most dissatisfying to tourism employers (80% dissatisfied). See table 3.21 above

2.2 Turnover

The average tourism employer experienced a turnover rate last year of 73 percent of their workforce. Median turnover was 30 percent, indicating the average was affected by extreme outliers. Half of all tourism employers experienced a turnover rate of 30 percent or greater, half experienced a turnover rate of less than 30 percent.

The average and median significantly differed among districts, with District I having an average turnover of 114 percent, Districts III and IV averaging about 50 percent and the remaining districts averaging less than 25 percent turnover. District I's median turnover was 40%. Half of all District I tourism businesses has a turnover rate of 40% or higher, half had a turnover rate of less than 40 percent. This is also higher than the county-wide median introduced above of 30 percent.

As a basis of comparison, “a recent study reports that the average turnover level in the US lodging industry is approximately 25 percent for management staff and around 50 percent for other types of jobs.”²² Meaning, average turnover in District I is much higher than industry wide standards.

The majority of Monroe County tourism employers who indicated they had training programs in place also responded turnover is resulting in high training costs (47%) The remainders are neutral/undecided (14%) or are not experiencing high training costs due to turnover (36%).

According to Employers, turnover from employees resigning to join another employer located in Monroe County is most often due to the competitor offering better salary (43%) and benefits (26%).

Table 3.23 Turnover from Employees Seeking Jobs from other Keys Employers

Turnover within the Keys	
Reason for leaving company	Respondents selecting as top reason
Salary	42.6%
Benefits	25.7%
Excessive Overtime	3.7%
Conflicts with supervisor/manager	14.0%
Conflicts with co-workers	9.6%
Position with newly opened business	8.8%
Transportation issues	7.4%
Lack of advancement opportunities	6.6%

Source: Monroe County Tourist Development Council

According to Employers, turnover from employees resigning to move out of the Florida Keys is most often due to the high cost of housing in the Keys. Four out of every five employees who have resigned their position to move away from the County have done so because of the cost of housing (78%). Most employees remain with their employers for one to two years. Professional/Office and Manager/Supervisor employees have a higher than average longevity of 3 to 5 years. Table 3.24 represents their responses.

²² Laliberte, Michele. “Recruiting Tourism Workers: the time is now!”. Hospitality.Net. URL: <http://www.hospitalitynet.org/news/4027474.search?query=average+turnover+hospitality+industry+2005>

Table 3.24 Turnover from Employees Relocating

Turnover due to Exodus from the Florida Keys	
Reason for the Florida Keys	Respondents selecting as top reason
Housing Costs	58.5%
Hurricane Damage	5.3%
Hurricane Stress	5.3%
Earnings declining	4.3%
Family Reasons	3.9%
Healthcare system	2.9%
School System	1.9%
Childcare costs	1.0%
Opportunity to cash out on home equity	4.3%
Job promotion/higher pay offered on mainland	4.8%
Work visa expiration/non legal status	2.4%
Transient worker/intended short Keys residency	5.3%

Source: Monroe County Tourist Development Council

2.2.1 Future Turnover

We asked workers who plan to leave the Keys within the next five years, and who's relocation would result in future turnover, what were the top five factors influencing them to relocate. Table 3.25 is their responses in order of influence. The top five factors are listed in bold. They are, in order: "the cost of my rent", "availability of lower cost housing elsewhere", "I can not afford to purchase a home", "the cost of owning my home" and "the stress of hurricane season".

Table 3.25 Top Factors Influencing Tourism Workers to Relocate

Factor influencing tourism worker to relocate	Responses	Percent	Percent of Cases
The cost of my rent	312	12.60%	55.60%
Availability of lower cost housing elsewhere	287	11.60%	51.20%
I can not afford to purchase a home	282	11.40%	50.30%
The cost of owning my home	218	8.80%	38.90%
The stress of hurricane season	205	8.30%	36.50%
My pay is inadequate	182	7.40%	32.40%
Health care costs	176	7.10%	31.40%
Having to working multiple jobs to meet expenses	175	7.10%	31.20%
Lack of opportunities for promotion in my job	90	3.60%	16.00%
Other	85	3.40%	15.20%
I want to be closer to family who live outside of the Florida Keys	81	3.30%	14.40%
My job/pay is too seasonal/inconsistent	58	2.30%	10.30%
I only intended to live here temporarily	54	2.20%	9.60%
My spouse/significant other/family is moving or plans to move	53	2.10%	9.40%
My residence was damaged during a hurricane	52	2.10%	9.30%
Opportunity to cash out on equity in my home	48	1.90%	8.60%
I am unsatisfied/unhappy in my job	37	1.50%	6.60%
I, or my spouse/significant other, am retiring	31	1.30%	5.50%
Job promotion on the mainland	18	0.70%	3.20%
I only intended to remain while my child was in school	16	0.60%	2.90%
Off season is coming/I only work here in season	5	0.20%	0.90%
My work visa (or similar) will run out	4	0.20%	0.70%

Source: Monroe County Tourist Development Council

We next asked the workers planning to relocate, what factors could influence them to remain in the Keys. Table 3.25 lists their responses. The top response, or mode, for each factor is in bold text. The scale is 1 to 7, where 1 is “*not at all likely*” and 7 is “*very likely*” or respondents may select “*not applicable*”. The ability to purchase market rate housing, participate in workforce/affordable housing programs, achieve higher pay or receive a promotion where the factors whose top responses were they are *very likely* to influence a worker to remain in the Keys. Table 3.26 depicts their responses.

Table 3.26 Factors which could influence a departing worker to remain in the Keys

Factor	Not at all Likely	Unlikely	Somewhat Unlikely	Neutral	Somewhat Likely	Likely	Very Likely	Not Applicable
Through a workforce or affordable housing program, you were able to purchase a home or rent below market rate	8.3%	5.5%	3.0%	7.9%	12.0%	15.1%	29.5%	18.8%
You were able to purchase a market rate home on your own	9.0%	6.0%	3.4%	8.7%	10.9%	14.7%	28.9%	18.4%
Hurricane activity significantly decreased	7.3%	6.3%	3.7%	22.7%	13.4%	13.9%	22.3%	10.3%
Your pay was increased	3.8%	2.5%	1.6%	8.5%	16.1%	21.3%	40.0%	6.2%
You were promoted	5.3%	4.3%	2.3%	19.1%	13.2%	18.4%	26.4%	11%
Your company offered you further training opportunities	6.4%	6.5%	4.5%	28.2%	10.5%	14.5%	14.6%	14.9%
Your satisfaction in your job increased	5.6%	4.6%	3.4%	23.5%	14.3%	15.5%	19.8%	13.2%
Your medical care costs decreased	6.6%	3.9%	3.0%	17.5%	14.9%	15.0%	28.0%	11.2%
The hospital or medical facilities improved	6.8%	5.2%	2.7%	23.8%	13.8%	12.4%	23.6%	11.7%
The Monroe County School system improved	12.4%	4.8%	1.7%	26.1%	5.8%	6.1%	11.5%	31.6%
Your workload/hours you need to work was reduced	6.4%	4.9%	2.6%	24.0%	13.2%	14.2%	20.4%	14.5%
Your spouse/significant other/family decided not to move	7.4%	3.2%	0.7%	17.8%	7.4%	7.5%	18.4%	37.7%

Source: Monroe County Tourist Development Council

Finally, we asked workers planning to remain in the Keys what factors could reverse their decision and influence them to leave the Keys. We also asked workers who planned to leave the Keys to answer this question in the context of what factors could cause them to leave sooner than planned. Again the scale is 1 to 7, where 1 is “*not at all likely*” and 7 is “*very likely*” or respondents may select “*not applicable*”. Table 3.27 lists their response.

Table 3.27 Factors which could increase and/or speed up tourism worker exodus

Factor	Not at all Likely	Unlikely	Somewhat Unlikely	Neutral	Somewhat Likely	Likely	Very Likely	Not Applicable
Another active hurricane season occurred	11.7%	10.1%	7.4%	18.3%	23.1%	10.2%	14.8%	4.5%
Your residence was damaged in a hurricane this season	6.8%	9.5%	6.8%	11.0%	22.7%	14.7%	22.3%	6.3%
There was another flood like during hurricane Wilma	8.2%	11.2%	6.4%	15.4%	20.5%	12.4%	21.4%	4.5%
Your primary place of work closed	4.6%	6.5%	4.6%	8.1%	10.9%	14.9%	46.0%	4.4%
More hotels converted to condos	8.8%	8.6%	4.4%	24.8%	14.3%	10.9%	19.0%	9.2%
Tourism levels significantly decreased	7.1%	7.1%	6.6%	15.4%	16.4%	16.9%	26.5%	3.9%
More doctors left the Keys	7.6%	9.5%	5.5%	25.4%	19.6%	11.2%	14.0%	7.2%
The nearest hospital to you closed	6.4%	8.0%	5.9%	22.5%	16.8%	12.4%	21.7%	6.4%
The quality of Monroe County schools decreased	13.2%	5.6%	2.9%	25.7%	6.5%	4.9%	11.1%	30.2%
You were offered a higher paid position on the mainland	7.5%	6.9%	4.7%	11.3%	15.3%	16.0%	31.8%	6.6%
You, or a member of your household, became ill	4.5%	4.4%	3.6%	16.9%	14.5%	17.4%	32.6%	6.1%
Someone made an offer on your home you couldn't refuse	6.3%	3.8%	2.3%	12.0%	6.0%	6.7%	24.9%	38%

Source: Monroe County Tourist Development Council

2.3 Current Vacancies

A little less than half of tourism businesses are not adequately staffed and or satisfied with their overall level of employee retention. The other half are adequately staffed, satisfied with their employee retention or are unsure/undecided. About half have experienced persistent vacancies in their customer service/front-line²³ positions and operational positions. Most have not experienced persistent vacancies in their professional/office or management/executive positions (70%).

There are an estimated over 1,030 vacant tourism jobs. Restaurants most often reported vacant positions (65%), followed by water attractions/activities (58%) and lodging (55%).

There were 90 different types of positions with vacancies reported across the County by our respondents, ranging from entry level (housekeeping) to experienced (vice

²³ The **Customer Service/Front-line** group refers to jobs generally that have direct for fact-to-face contact with customers or visitors and/or do not require technical training (e.g. servers, front-desk clerks, ticket sales, tour guides)

The **Operational** group refers to jobs that perform operational functions in the business (e.g. chefs/cooks, cleaners) and do not have direct or face-to-face contact with customers or visitors.

The **Professional/Office** group refers to jobs that provide professional business functions (e.g. accounting, IT, clerical)

The **Managers & Supervisors** group refers to those that manage/supervise aspects of the business and do not have significant face-to-face time with customers or visitors.

president of finance & administration). The position with the most vacancies is server, followed by driver, housekeeper, front desk and sales associates.

Positions were most often reported vacant for less than 30 days (74%), followed by 60 days or more (25%) and 30 to 59 days (20%). 16 percent of the vacancies reported were persistent vacancies, meaning these positions must be continually recruited.

Over 84 percent of vacancies reported were for full-time employment. The remainders were seasonal/temporary employment. The majority of positions required experience, which broke down as follows: related experience (48%), some experience (34%). The remaining 33 percent of vacant positions did not require any experience.

The majority of vacancies require a high school diploma or GED (40%). The remaining educational requirements are as follows: No education requirement 38%, Vocational/technical training 14%, Bachelor's Degree 4%, Associate's Degree 3% and Advanced Degree 1%.

Table 3.28, Table 3.29 and Table 3.30 further breakdown the results of our vacancy survey:

Table 3.28 Percentage of businesses reporting vacancies by business type

Type of Business	Percentage reporting vacancies
Lodging	55%
Bar/Restaurant	65%
Retail	46%
Info Center/Visitor Service	25%
Water Activity/Attraction	58%
Land Activity/Attraction	50%
Other, Tourism Related	38%

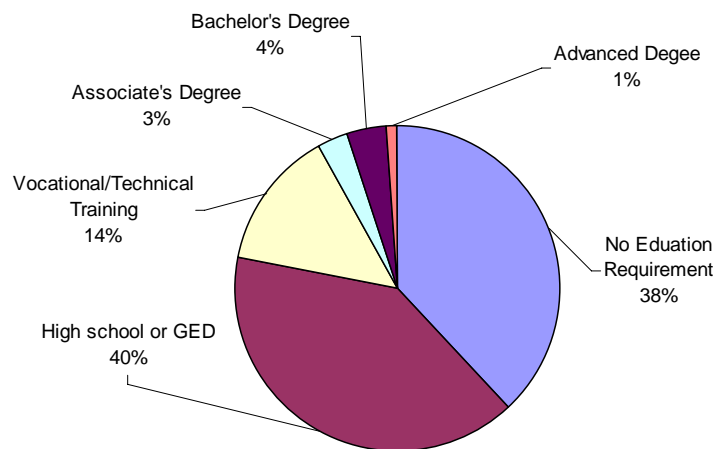
Source: Monroe County Tourist Development Council

Table 3.29 Current Vacancies Reported by Respondents

Title	Vacancy	Title	Vacancy	Title	Vacancy
Server	35.5	Art Consultant	2	Drafter	1
Driver	28	Chef	2	Fishing Guide	1
Housekeeper	19	Dive Master	2	Floor Manager	1
Front Desk	18	General Manager	2	General Maintenance	1
Sales Associate	14	Kitchen Help	2	Grounds Keeper	1
customer service	13	Manager	2	Guest Relations	1
Cook	11	Minibar Attendant	2	Guest Services Representative	1
Hostess	11	Painter	2	Human Resources Coordinator	1
Security Guard	9	PBX Operator	2	Kitchen Manager	1
Boat Captain	8	Restaurant Manager	2	Labor	1
Sales	8	Room Service Server	2	Laundress	1
Line Cook	7	Sales Clerk	2	Membership Assistant	1
Assistant Manager	5	Ticket sales	2	Night Auditor	1
Bellman	5	Visitor Services	2	Physical Plant Equipment Specialist	1
Room Attendant	5	Artist	1.5	Program Director	1
Bartender	4	Food Runner	1.5	Purchasing Clerk	1
Dive instructor	4	Retail Associate	1.5	Receptionist	1
First Mate	4	A/c Technician	1	Restaurant Supervisor	1
Maintenance Engineer	4	Accountant	1	Retail Clerk	1
Park Ranger	4	Accounting	1	Retail Manager	1
Reservationists	4	Accounts Receivable Clerk	1	Retail Sales Manager	1
Tour Guide	4	Art Manager	1	Retail Supervisor	1
Barback	3	Assistant General Manager	1	Sales Help	1
Cashier	3	Book Keeper/Office Manager	1	Sales Manager	1
Expoditer	3	breakfast cook	1	Service Tech	1
Instructor	3	Cinema concessions	1	Sous Chef	1
Sales Clerk	3	Data Entry	1	Turndown Service	1
Spa Receptionist	3	Dive Master	1	Vice President Finance & Administration	1
Steward	3	Docent	1	Web Designer	1
administrative assistant	2	Dockhand	1	Web Master	1

Source: Monroe County Tourist Development Council

Table 3.30 Educational Requirements, Current Job Vacancies



2.4 Gap Analysis

With the majority of tourism workers' education including some college experience to a college degree and over 5 years of experience in the tourism industry, most tourism workers have more than sufficient education and experience for the current vacancies. However, that is currently employed workers. Our data did not profile unemployed tourism workers.

As stated earlier, tourism employers are generally not satisfied with the overall quality of the Monroe County applicant pool. This may be a function of the quantity of the applicant pool (84% employers dissatisfied), in particular the customer service/front-line employee pool. In this job category is where the most vacancies lie. It is also where most employers find dissatisfaction with candidates for job openings (80% dissatisfied). Improvement in this sector of tourism workers could improve employer satisfaction.

PART IV: IMPACT ANALYSIS - EFFECTS OF WORKFORCE ISSUES ON EMPLOYERS, VISITORS AND MARKETING EFFORTS

Section 1: Employer Issues

1.1 Turnover Costs

During a recent study the Cornell University Center for Hospitality Research developed a tool to calculate the cost of turnover in the hospitality industry. According to the study findings,

“the average cost of turnover at the front desk was 30 percent of salary, or an average dollar figure of nearly \$5,900. That percentage figure was consistent across all market segments. Even more devastating than the loss of the employee was the loss of productivity among managers, supervisors, and coworkers. Participants said that co-workers lost 20 percent of their productivity for up to 16 days when a colleague left the front desk.”²⁴

As the Cornell study findings demonstrate, turnover is a costly business. New employees must be recruited and trained to replace lost employees. Meanwhile, the increased workload decreases productivity of remaining staff. Cornell’s computations found an average turnover cost of 30 percent of total salary per lost employee. Costs associated with turnover are pre-departure costs, recruiting costs, selection costs, orientation/ training costs and the cost of lost productivity. From the study, a web based calculation tool was developed that hospitality employers can use at no charge to estimate their turnover costs. The tool can be found at www.chr.cornell.edu under “Tools for the Hospitality Industry”, “2005 Tools”, or at

<http://www.hotelschool.cornell.edu/chr/research/tools.html>

With an approximate three out of every five tourism workers (64%) having plans to leave the Keys within the next five years, the turnover cost to employers is likely to be substantial. To calculate the cost of the anticipated turnover in Monroe County due to employee reported relocation plans, we used the average turnover cost found by Cornell University of 30 percent and our survey results for the average tourism worker salary. We found such an exodus of tourism workers could cost tourism employers up to \$96.9 million in pre-departure costs, recruiting costs, selection costs, orientation/ training costs and the cost of lost productivity.

²⁴ “Find out your cost of turnover.” Cornell University Hotel School Research Review. 24 May 2006.

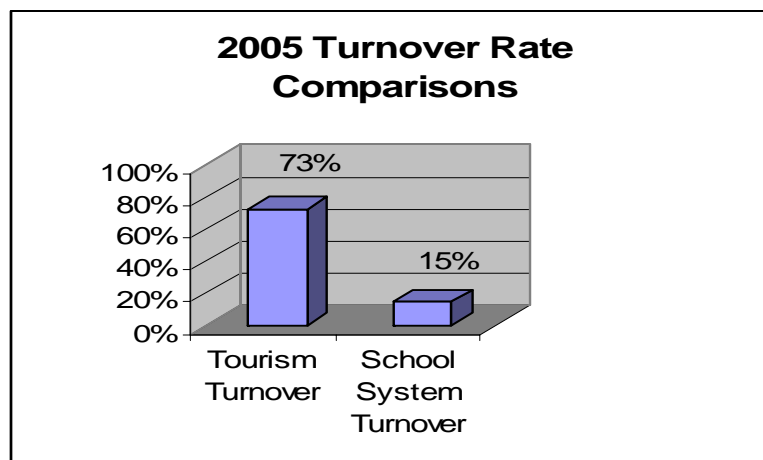
1.2 Industry Comparisons

Tourism is not the only industry experiencing a loss of workers. Nor is it the only industry gathering data on future resident or worker exodus. As worker loss is felt in other local industries, competition increases for the overall worker supply. However, the results of some studies show the loss may be more pronounced in our industry.

Over the past ten years, Monroe County school enrollment has decreased by 1,500 students. The Monroe County School System, in the spring of 2006, contacted households throughout the County with children enrolled in County schools. They found better than four out every five households contacted planned to reside in the County in the following year as they would again be enrolling their children in county schools (84%). 7 percent of households had plans to move away from the County before this school year began in August. This is compared to 17 percent of Monroe County tourism worker households with children who plan to leave the County this year, 9 percent before school resumed in August. The remaining 9 percent of households in the school survey were undecided about their residency.

The Monroe County school system also investigated its expected loss of workforce from the 05-06 school year to the 06-07 school year. "Monroe County schools typically lose about 100 out of the approximate 650 teachers each year, with most citing relocation as the reason for their departure."²⁵ That is a turnover rate of 15 percent, compared to an average turnover rate of Monroe County tourism workers of 73 percent and a median turnover rate of 30 percent. Resignations turned into to the school systems HR department by June 2006, led to the conclusion that this year's turnover would only be slightly higher than average, an anticipated 17 percent to 18 percent. Again, this is still far below that reported from tourism employers.

Table 4.1



Source: Monroe County School System, Monroe County Tourist Development Council

²⁵ Bolen, Mandy. "Teachers not leaving in large numbers." The Citizen. 29 Jun 06: 1.

The Florida Keys Aqueduct Authority, according to their employee survey, is anticipating a worker turnover of nearly 50% over the next five years. The FKAA anticipated worker turnover was largely due to plans to leave the area. That is compared to 64 percent of tourism workers. The anticipated turnover is far greater than previously experienced by the FKAA. In 2003, turnover was only 2 percent. By 2005, it had grown to 16 percent.

For FKAA employees, housing cost was also most influencing the exodus (74%). The average FKAA employee was also housing cost-burdened, paying 54 percent of their income toward housing.

1.3 Employee Retention/Mitigation Programs

Satisfaction level with potential candidates (applicant pool) is far less than the average satisfaction level reported with ones' current workers. For example, while 64 percent of businesses are satisfied with their current customer service/front-line employees, only 20 percent are satisfied with the customer service/front-line worker applicant pool. Given this disparity, it is beneficial for employers to retain their current workers as they will likely be less satisfied with their replacements.

In order to lessen employee turnover, employers can institute mitigation programs. None of the solutions employees point to as *very likely* to influence them to remain in the County is out of the range of possibility; however, all would come with an associated cost to businesses. However, if businesses can institute these programs at under 30% per employee salary they will be saving money versus the cost the turnover would equate to.

Employees, through their survey responses, have indicated they are *very likely* to remain in the County if they achieve more affordable housing, homeownership (for current renters) reduced medical care costs, increased pay or a promotion.

The majority of tourism workers who plan to leave the Keys will do so because of the cost of housing here in the Keys (40%²⁶ current home cost, 56% current rent cost, 51% cost of market rate housing) and the enticement of lower cost housing elsewhere (51.7%). In grouping tourism workers by housing costs, as housing cost-burden increasing, so does the likelihood the tourism worker will leave the Keys. Tourism workers who are severely housing cost burdened were most likely to leave the Keys (43%).

²⁶ Note: As respondents can select up to five top factors, percent of cases is reported. In other words, 40% of respondents selected "the cost of owning my home" among the top five factors of why they were leaving the Keys. Percentage do not add up to one hundred.

Tourism workers can be influenced to remain in the Keys if their housing situation changes. Home ownership or rental through an affordable/workforce housing program is very likely to influence a tourism worker with current plans to leave the Keys to remain. Being able to purchase a market rate house on ones own is very likely to influence a departing worker to stay. Other factors tourism workers report that are very likely to influence them to remain in the Keys are increased pay, promotion or a reduction of medical care costs.

These mitigation programs are currently under utilized by employers. Only about a quarter of tourism employers offer employee assisted housing. Less than half of tourism employers supplement a portion of their employees' health insurance premiums. Only about 40 percent of tourism employers are offering economic incentives in the form of merit raises or performance bonuses to stem the tide of employer turnover and worker exodus.

The FKAA results, as reported by the Key West Citizen, also included data on what other County employers have done to try to retain their employees. The programs reported are as follows:

Table 4.2 Employee Retention Programs

Employer	Program
Monroe County	20% wage increase since 2004
Comcast	\$250 per month housing supplement
Waste Management	\$200 to \$500 housing allowance
Florida Keys Electric Cooperative	22% wage increase
Mosquito Control	\$2,000 annual housing suppliment

Source: FKAA as reported by the Citizen²⁷

For market rate housing, previously special loan programs, like "interest only" loans provided employees more purchasing power for their monthly housing dollar and boosted homeownership in high housing cost markets. As interest rates have increased, the gap between these programs and traditional loan monthly costs have decreased. Banks are now offering other programs to boost market rate home ownership. An example of such is an employer assisted housing program recently announced by one local bank. The program allows employers to assist their workers' to achieve home ownership by loaning the 20 percent down payment cost. Generally this is a lower than market rate, or no interest rate loan. The remaining home cost, 80 percent, is then purchased through a traditional loan through the bank. The down payment employer assisted loan is contingent upon employment, further boosting employee retention.

²⁷ Henson, Ann. "More Workers Leaving the Keys." The Citizen. 25 Mar. 06: 1.

In Illinois, employer assisted programs have made nearly 1,000 workers home owners. The workers on average were median or moderate income households. One program was a “\$5,000 forgivable loan to employees who commit to stay with their employer for five years.”²⁸ Others included up to \$7,500 in interest free loans forgivable after five years of employment.

Programs to develop workforce, a.k.a. affordable housing, have also been successful in retaining employees in tourist destinations. Aspen, Colorado “established [workforce housing] programs now house approximately 64 percent of the town’s population.”²⁹ Their initiatives to utilize workforce housing to ensure an adequate workforce to sustain their economy have been underway for decades.

²⁸ “2005 Mid-Year REACH Report.” Metro Planning Council. 30 Nov. 05. URL: <http://www.metroplanning.org/resource.asp?objectID=3028>

²⁹ Hettinger, William S. *Living and Working in Paradise*. Thames River Publishing: Windham, Connecticut: 2005.

Section 2: Impacts to Visitors

A travelers experience largely exists in the service received at their destination. Overwhelming, visitors indicate they are coming to the Florida Keys primarily to relax and escape: get away from stress, pressure, have fun, reconnect with friends or family (65%). No other travel experience garnered more than 6 percent of the visitor response when we asked what was the top reason our visitors came here; including all of the various types of activities the Keys offer like fishing, diving and eco-tourism. First and foremost our visitors want to relax and de-stress.

It takes a certain level of customer service to provide this relaxing environment for visitors. Dissatisfying encounters with customer service leads to stress, counteracting the vacation experience being sought.

For this study, we've employed a new approach in examining visitor satisfaction. Our approach to examining this was the result of conclusions from prior research studies. In visiting a destination, you may have high expectations for some attributes and lower for others. Let's say, for example, you expect a high quality hotel (5 out of 5) and a superb beach (also 5 out of 5). On the other hand, you may not have expected much in the way of shopping (2 out of 5) or nightlife (also 2 out of 5). In this scenario, as indicated by your expectation ratings, you are seeking superior lodging and beaches. You are less motivated by shopping or nightlife.

Once you actually reached the destination and were asked to rate these attributes, you rated all four attributes a 4 out of 5 or a "good". A destination may think they've done a satisfactory job, providing you with a "good" vacation experience. In actuality, you were disappointed by your lodging and the beaches as you expected a 5 out of 5, or *excellent*. You weren't satisfied as your expectations weren't met.

If we relied solely on a single visitation satisfaction rating, we would not have a clear picture of whether or not we are actually providing the product our visitors are seeking. Ideally, you would want to meet or exceed expectations the super majority of the time. Studies have shown this leads to increased product satisfaction and a positive post purchase outlook.

We wanted to examine whether visitors' experiences were meeting their expectations. In order to this, we asked visitors to tell us what their expectation was for their vacation experience when selecting the Florida Keys. Then we asked them to tell us how satisfied they were with the experience now on vacation in the Keys. The goal is for the visitor to indicate the two levels matched, or the satisfaction level with their experience exceeded their expectations.

A lower experience level than expected means the customers' expectations have not been met. When this occurs, the visitor is dissatisfied. That can lead to a decrease in perceived value of the Florida Keys as a vacation destination. It can also affect post-purchase constructs, such as loyalty, word of mouth and repurchase intentions.

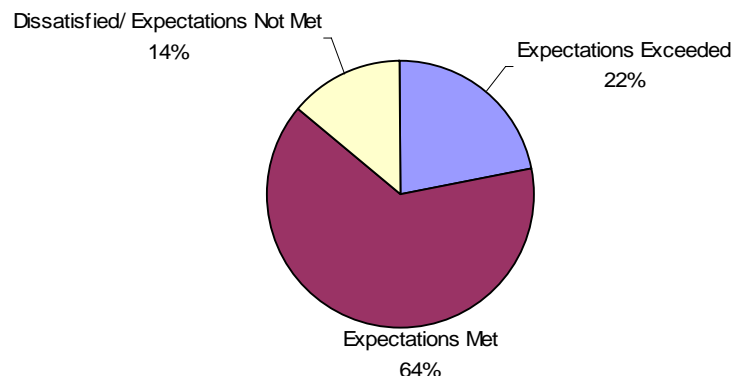
See the *Background and Methodology* section of this study for an explanation of the data collection method. The results were weighted according to visitation by district using weights applied to all Florida Keys visitor profile surveys.

2.2 Results of Visitor Surveys

2.2.1 All Surveys

For most visitors (86%) the Keys overall met or exceeded their expectations and they are “likely” or “very likely” to recommend the Keys to a friend or family member for their next vacation (72%). Value for the price met or exceeded visitor expectation 90 percent of the time.

Overall Florida Keys Vacation Experience



The top response (mode) for respondents across all attributes was that their satisfaction with their experience met their expectations. This was true across all districts.

As a basis for comparison, the Keys fared better than the Hawaiian Islands and the Bahamas in visitor satisfaction. Hawaii's most recent available visitor data (2005 report) showed a visitor satisfaction rate of 68 percent³⁰ versus the results of this Keys visitor survey of 86 percent. The Bahamas 2005 report of visitors who were “likely” to recommend the destination to a friend was an all-time low of 61 percent while on this survey, the Keys achieved 72 percent. Satisfaction was slightly higher in Miami, at 90 percent in 2005.³¹ Surpassing the Keys was the Beaches of Fort Myers – Sanibel. Lee

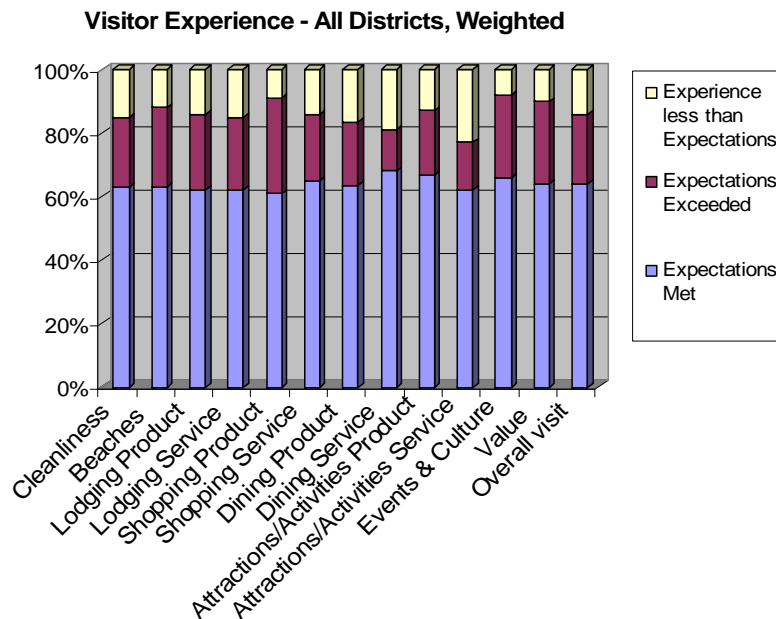
³⁰ Natarajan, Prabha. “Visitor Satisfaction Weakens.” Pacific Business News. 18 May 05. URL: <http://www.bizjournals.com/pacific/stories/2005/05/16/daily38.html>

³¹ Synovate – Miami. “2005 Visitor Profile and Economic Impact Study.” Mar. 2006. URL: http://www.gmcvb.com/pictures/HotelOccupancys/HO276_Annual%20Report%202005.pdf.

County reported visitor satisfaction of 99 percent in winter 2005 and 98.6 percent in spring/summer 2005.³²

Most of our respondents were new visitors, or visitors who had not been to the Keys in recent years. 64 percent of visitors surveyed at not been to the Florida Keys at all or within the past three years. About 22 percent of those new visitors had been influenced by word of mouth via a friend or family member to visit the Keys. This word of mouth refer is anticipated to continue as the majority of visitors are “likely” to “very likely” to recommend the Florida Keys as a vacation destination to a family member or friend.

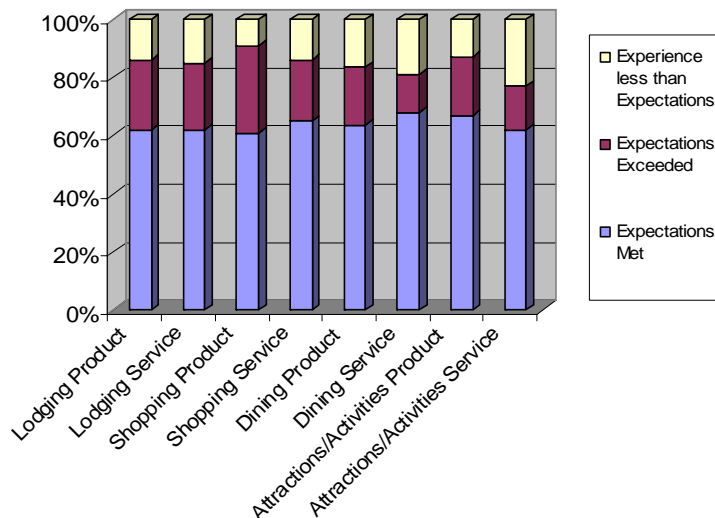
Customer service at attractions/activities (77%) and customer service at restaurants (81%) had lowest rates of meeting or exceeding visitor expectation. While, shopping product and the cultural aspects of the destination had the highest rates of meeting or exceeding visitor expectations (91% and 92% respectively). Shopping product in particular had the highest rate of exceeding visitor expectations (30% expectations exceeded).



³² “The beaches of Fort Myers – Sanibel Annual 2005 Visitor Profile.” Research Data Services, Inc. URL: <http://www.leevcb.com/statistics/2005execprofile.pdf>

Where service received by employees was broken out by the actual product (lodging, retail, food & beverage and attractions/activities) in all cases the customer service less often met or exceeded visitor expectations than the product.

Product Satisfaction Compared to Customer Service Satisfaction



The following table further depicts visitor response by experience category:

Table 4.3 Visitor Expectations vs. Visitor Experience

Visitor Experience	Experience less than Expectations	Expectations Met	Expectations Exceeded	Combined Expectations Met or Exceeded
Cleanliness of the Florida Keys	15%	63%	22%	85%
Quality of the Florida Keys beaches	12%	63%	25%	88%
Visitor's Accommodations	14%	62%	24%	86%
Quality of service at visitor's accommodation	15%	62%	23%	85%
Shopping	9%	61%	30%	91%
Quality of retail service	14%	65%	21%	86%
Dining	18%	70%	22%	82%
Service in restaurants	19%	68%	13%	81%
Attractions and Activities	13%	67%	20%	87%
Service at local attractions and activities	23%	62%	15%	77%
Cultural events, concerts, arts, theatre	8%	66%	26%	92%
Value for the price	10%	64%	26%	90%
Overall visit	14%	64%	22%	86%

2.2.2 Visitor Survey Responses by District

Visitor responses did differ by district. Consistently, District II most often met or exceeded visitor expectations while District I least often met or exceeded visitor expectations. District III achieved the highest overall rating.

District I visitors reported the lowest rate of cleanliness of the district meeting or exceeding expectations (74%). District II achieved the highest rate or meeting of exceeding visitor expectations for cleanliness (97%).

Table 4.4 Cleanliness of Destination

District	Experience less than expectations	Experience met expectations	Expectations exceeded	Combined Expectation Met or Exceeded
District I	26%	56%	18%	74%
District II	3%	68%	29%	97%
District III	7%	63%	30%	93%
District IV	9%	62%	29%	91%
District V	3%	78%	19%	97%

District I visitors reported the lowest rate of beaches of the district meeting or exceeding expectations (86%). Districts V and IV closely followed with 87 percent satisfaction and 88 percent respectively. Districts III's beaches met or exceeded expectations 82 percent of the time. District II's beaches topped the list at 97 percent.

Table 4.5 Beaches of Destination

District	Experience less than expectations	Experience met expectations	Expectations exceeded	Combined Expectation Met or Exceeded
District I	14%	47%	39%	86%
District II	3%	78%	19%	97%
District III	9%	75%	16%	91%
District IV	12%	76%	12%	88%
District V	13%	79%	8%	87%

Districts II through V achieved near 100 percent satisfaction (i.e. met or exceeded expectations) with their lodging product (ranged from 99% to 97%). District I visitors reported a lower rate of 77 percent satisfaction with lodging product.

Table 4.6 Lodging Product

District	Experience less than expectations	Experience met expectations	Expectations exceeded	Combined Expectation Met or Exceeded
District I	24%	59%	17%	76%
District II	2%	71%	27%	98%
District III	2%	69%	29%	98%
District IV	5%	62%	33%	95%
District V	6%	62%	32%	94%

District I and District III's lodging properties' customer service levels' ability to meet or exceed visitor expectations fell below the product satisfaction levels (District I - 73% customer service satisfaction vs. 76% product satisfaction, District III - 96% customer service

Table 4.7 Lodging Service

District	Experience less than expectations	Experience met expectations	Expectations exceeded	Combined Expectation Met or Exceeded
District I	28%	57%	15%	78%
District II	0%	69%	31%	100%
District III	4%	66%	30%	96%
District IV	2%	65%	33%	98%
District V	5%	65%	30%	95%

satisfaction vs. 98% product satisfaction). The remaining districts' lodging customer service satisfaction exceeded the lodging product satisfaction. Most notably, District II achieved 100 percent satisfaction with lodging customer service.

District II's retail/shopping product met or exceeded expectations 100 percent of the time. The

remaining districts fared as follows:

District I - 86%,
 District III - 97%,
 District IV - 95% and
 District V - 94%.

Table 4.8 Retail Product

District	Experience less than expectations	Experience met expectations	Expectations exceeded	Combined Expectation Met or Exceeded
District I	14%	62%	24%	86%
District II	0%	63%	37%	100%
District III	3%	54%	43%	97%
District IV	5%	65%	30%	95%
District V	6%	62%	32%	94%

For most districts, with the exception of Districts II and V, the customer service components of

shopping yielded lower rates of satisfaction than the actual product offerings. The results were as follows: District I -

Table 4.9 Retail Service

District	Experience less than expectations	Experience met expectations	Expectations exceeded	Combined Expectation Met or Exceeded
District I	23%	63%	14%	77%
District II	0%	68%	32%	100%
District III	6%	57%	37%	94%
District IV	9%	71%	20%	91%
District V	3%	70%	27%	97%

77% service satisfaction vs. 86% product satisfaction; District III -94% service satisfaction vs. 97% for product satisfaction; District IV - 91% service satisfaction vs. 95% for product satisfaction. In District V, customer service at shops actually exceeded the satisfaction with the product offerings at shops – 97% service satisfaction vs. 94% product satisfaction.

District I diners had the lowest level of satisfaction with dining product (77%).

District II had the highest (93%). The other districted fared as follows: District III - 85%, District IV - 88% and District V - 81%.

Table 4.10 Dining Product

District	Experience less than expectations	Experience met expectations	Expectations exceeded	Combined Expectation Met or Exceeded
District I	22%	61%	17%	78%
District II	7%	77%	16%	93%
District III	15%	79%	6%	85%
District IV	12%	79%	9%	88%
District V	19%	78%	3%	81%

For Districts I, II and IV visitors were less satisfied with the customer service at restaurants than the product: District I -

76% customer service vs. 77% product satisfaction; District II - 92% customer service vs. 93% product satisfaction; and District IV - 86% customer service vs. 88% product satisfaction.

Table 4.11 Dining Service

District	Experience less than expectations	Experience met expectations	Expectations exceeded	Combined Expectation Met or Exceeded
District I	24%	63%	13%	76%
District II	8%	73%	19%	92%
District III	13%	75%	12%	87%
District IV	14%	68%	18%	86%
District V	14%	79%	6%	86%

The ability of most districts' attractions and activities to meet or exceed visitor expectations topped 90 percent. District I was lower at 82 percent.

Table 4.12 Attractions/Activities Product

District	Experience less than expectations	Experience met expectations	Expectations exceeded	Combined Expectation Met or Exceeded
District I	18%	63%	19%	82%
District II	5%	74%	21%	95%
District III	10%	74%	16%	90%
District IV	9%	64%	27%	91%
District V	6%	72%	22%	94%

Customer service satisfaction levels were lower than product satisfaction levels for District I attractions and activities (75%). The remaining districts

Table 4.13 Attractions/Activities Customer Service

District	Experience less than expectations	Experience met expectations	Expectations exceeded	Combined Expectation Met or Exceeded
District I	25%	55%	20%	75%
District II	5%	71%	24%	95%
District III	3%	74%	23%	97%
District IV	6%	68%	26%	94%
District V	5%	63%	32%	95%

were equal or customer service actually exceeded product satisfaction: District II – equal satisfaction at 95%; District III – 97% customer service satisfaction vs. 90% product satisfaction; District IV 94% customer service satisfaction vs. 91% product satisfaction; District V 95% customer service satisfaction vs. 94% product satisfaction.

Events and cultural offerings met or exceeded visitor expectations 94 percent of the time or better for all districts except District I (83%).

Table 4.14 Cultural Events, Arts, Theater

District	Experience less than expectations	Experience met expectations	Expectations exceeded	Combined Expectation Met or Exceeded
District I	17%	63%	20%	83%
District II	3%	78%	19%	97%
District III	3%	66%	31%	97%
District IV	6%	63%	31%	94%
District V	5%	68%	27%	95%

Value for the price of their vacation had the most positive results across the districts. For all districts 90 percent of the visitors' expectations of the value for the price of their vacation was met or exceeded. Value was fairly consistent with most districts hovering around 90 percent. District II was the exception to this with value rated higher at 95 percent.

Table 4.15 Value

District	Experience less than expectations	Experience met expectations	Expectations exceeded	Combined Expectation Met or Exceeded
District I	10%	62%	28%	90%
District II	5%	73%	22%	95%
District III	10%	61%	29%	90%
District IV	9%	61%	30%	91%
District V	11%	70%	19%	89%

Overall, roughly four out of every five District I visitor parties' vacation experience met or exceeded their expectations. The flip side of this is one out of every five (21%) district I visiting party's vacation experience did not meet their expectations. The remaining districts met or exceeded visitor expectations nine out of ten times or better. The results were as follows: District II - 95%, District III - 98%, District IV - 95% and District V - 90%.

Table 4.16 Overall

District	Experience less than expectations	Experience met expectations	Expectations exceeded	Combined Expectation Met or Exceeded
District I	21%	61%	18%	79%
District II	5%	74%	21%	95%
District III	2%	72%	27%	98%
District IV	5%	60%	35%	95%
District V	10%	68%	22%	90%

2.2.3 Lodging Tier Analysis

Visitor responses were also broken down by amount spent per day on lodging according to the June 2006 Smith Travel average occupancy and daily rate tier report. The categories were: economy to midprice (up to \$164), upscale (\$165 to \$233) and luxury (\$234 and up). Overall vacation experience meeting or exceeding expectations was lowest among luxury visitors (78%) and highest among upscale (91%).

Table 4.17 Overall Rating by Lodging Tier

Tier	Experience less than expectations	Experience met expectations	Expectations exceeded	Combined Expectation Met or Exceeded
Economy to Midprice	11%	64%	25%	89%
Upscale	9%	72%	19%	91%
Luxury	22%	61%	17%	78%

Lodging product's ability to meet or exceed expectations had an inverse relationship to the daily rate paid for the lodging. The higher the lodging tier, the lower the product

Table 4.18 Lodging Product Rating by Lodging Tier

Tier	Experience less than expectations	Experience met expectations	Expectations exceeded	Combined Expectation Met or Exceeded
Economy to Midprice	8%	65%	27%	92%
Upscale	22%	64%	14%	78%
Luxury	23%	59%	18%	77%

experience meeting or exceeding expectations. 92 percent of economy to midprice lodging product (up to \$164) met or exceeded expectations; 78 percent of upscale lodging product (\$165 to \$233) met or exceeded expectations; 77 percent of upscale lodging product met or exceeding expectations.

Lodging's customer service ability to meet or exceed expectations was also highest among economy to midprice tier accommodations, but was second highest among luxury accommodations.

Table 4.19 Lodging Service Rating by Lodging Tier

Tier	Experience less than expectations	Experience met expectations	Expectations exceeded	Combined Expectation Met or Exceeded
Economy to Midprice	13%	61%	26%	87%
Upscale	23%	58%	19%	77%
Luxury	18%	77%	6%	82%

2.2.4 Repeat Visitation Analysis

Visitor response was grouped by repeat visitors versus new or newly returning visitors (i.e. never visited the Keys or visited more than 3 years ago). Repeat visitors reported

higher rates of their vacation meeting or exceeding their expectations (92%) than new visitors (83%).

The majority of both new and returning visitors are “likely: to “very likely” to recommend the Florida Keys as a vacation destination to a family member or friend (67% repeat visitors, 75% new visitors). Among both groups the most popular response (mode) was they are very likely to recommend the Keys.

Section 3: Tourism Workforce Shortages in Other Areas

Tourism workforce shortages, in terms of staffing and adequacy of worker skills, are not unique to the Florida Keys destination. Because popular tourist destinations equate to popular second home locations, many are experiencing the type of workforce housing shortages felt in Monroe County. On islands, and other remote areas like ours, employers are especially challenged because of the limited ability to expand workforce by hiring workers from the mainland.

In a recent study, the International Society of Hospitality Consultants named labor conditions as the number one challenge facing the global hospitality industry. The article identified some programs employers have put into place to meet workforce shortage challenges, including aggressive recruiting campaigns in areas far outside the businesses local labor pool region, bonus incentives, recruiting from local competitors, securing dormitory housing and recruiting seniors. The specific actions plans are as follows:

- “When Disney Hotels was recruiting workers for its hotels and restaurants in Orlando, company representatives traveled to Pittsburgh PA, Rochester NY and San Juan, Puerto Rico offering \$1500 relocation bonuses and a \$100 airline ticket to anyone who would work for Disney for at least one year
- In Nashville, a new general manager of a major chain hotel sent a truck to a competitor’s property. On the side of the truck was a sign offering cash bonuses to employees willing to come to work for him. On the inside of the truck was a man handing out applications.
- The biggest problem facing the amusement industry in the next decade is the shrinking labor force among high school and college-age students. Cedar Point amusement park in Sandusky OH has on-site dormitories that can accommodate up to 3000 workers. Casino Pier and Water Park in Seaside Heights NJ has hired students from Ireland since the 1980s.
- Paramount’s Kings Island amusement park in Cincinnati, struggling to cope with a tri-state labor shortage, hired up to 300 European college students to staff its peak summer months. Another 200 workers were imported from other US cities. To accommodate its new recruits, the amusement park leased a University of Cincinnati dormitory and signed a \$150,000 contract with Metro to provide expanded bus service to the park.
- Visionland, a themed waterpark attraction in Birmingham AL is recruiting more senior citizens because of their high work ethic and dependability. They have commissioned some of our top senior employees to recruit fellow seniors they know at church or social circles.”³³

³³ Coy, Jeff. “Shrinking Labor Force is Top Challenge for Global Hospitality, Tourism & Service Industries.” ISHC Top 10 Issues 2006. URL: <http://www.ishc.com/library/2006/SHRINK.DOC>.

One area similar to us with geographic constraints, high housing costs and high average daily lodging rates, which we investigated, was the Hawaiian Islands. In Hawaii, “tourism accounts for roughly 25 percent of total economic activity and 30 percent of total employment.”³⁴ Hawaii has been relying on in-migration to stem the impact of resident exodus, a decreasing number of its young residents entering the workforce and an increasing number of its older residents retiring.

Professional positions, including math and science teachers, are often recruited from the mainland. Entry-level hospitality jobs, like housekeeping, are often filled with the 5,000 to 6,000 foreign immigrants per year to Hawaii.

“Allen Chung, [the Society for Human Resources Management’s current president], says he is trying to sound an alarm bell in the human resources community: ‘Nobody’s planning for [the long term]. The short-term needs are so pressing that it’s very hard for people to take time to look down the road. It’s a real big public policy issue, where everybody has to work together.’”³⁵

The reliance of in-migration has been problematic in Hawaii because workers don’t necessarily stay. According to University of Hawaii associate vice president for Academic Affairs Mike Rota, census data shows Hawaii imports workers in the 20s, whom he believes are coming for their climate and lifestyle. Then the reality of Hawaii’s low wages and high cost of living begins to drive people out in their 30s and beyond.

In-migration in Hawaii, and elsewhere, is also problematic in that it can change the host culture of the area which is often a strong component of its tourism draw. For example, the Hawaii Islands’ offer unique cultural experiences and traditions for which they are well known, like the Lu’au. Such offerings attract cultural and historic travelers seeking Hawaii’s unique culture with its Polynesian flare. As residents leave the area, especially young native residents, those cultural traditions are at risk for being lost. Likewise, the influx of immigrants imports other cultural influences into the area.

The tourism workforce shortage impacts were felt a decreasing Hawaiian visitor satisfaction. “The overall satisfaction levels of Mainland visitors in 2004 dropped 4 percentage points from 72 percent to 68 percent. The percentage of below-average experiences increased 3 percent among Mainland tourists. While the numbers are still

³⁴ Goodno, James. “Living with Tourism.” American Planning Association. Jun. 2004. URL: <http://www.planning.org/affordablereader/planning/tourism0604.htm>.

³⁵ Knox, John M. “Where are the Workers?” Hawaii Business. Jul. 2005. URL: <http://www.hawaiibusiness.com/archivearticle.aspx?id=1343&q=>.

relatively small, the surveys found complaints across the board, with less satisfaction in hotels, restaurants, shops and activities, especially during peak periods.”³⁶

The Hawaiian visitor satisfaction level (68%) is below that found for the Florida Keys in our survey, which was 86 percent. Hawaii responded by drafting in 2005 a strategic plan with included initiatives to increase visitor satisfaction. The board's greeting program, which welcomes visitors at harbors and airports, [rose] from \$400,000 to \$1.6 million.”³⁷ Hawaii felt this welcome program gave visitors an immediate sense that Hawaii was a special place.

³⁶ Natarajan, Prabha. “Visitor Satisfaction Weakens.” Pacific Business News. 18 May 05. URL: <http://www.bizjournals.com/pacific/stories/2005/05/16/daily38.html>

³⁷ Natarajan, Prabha. “Visitor Satisfaction Weakens.” Pacific Business News. 18 May 05. URL: <http://www.bizjournals.com/pacific/stories/2005/05/16/daily38.html>

Section 4: Implications for Marketing the Florida Keys

As presented earlier, while the Florida Keys fared better than some competitors, others raised the bar for visitor satisfaction levels. To reiterate, the Keys fared better than the Hawaiian Islands and the Bahamas. Hawaii's most recent available visitor data showed a visitor satisfaction rate of 68 percent³⁸ versus the results of this Keys visitor survey of 86 percent. The Bahamas December 2005 report of visitors who were "likely" to recommend the destination to a friend was an all-time low of 61 percent³⁹ while on this survey, the Keys achieved 72 percent. Visitor satisfaction was slightly higher in Miami, at 90 percent in 2005.⁴⁰ Surpassing the Keys was the Beaches of Fort Myers – Sanibel. Lee County reported visitor satisfaction of 99 percent in winter 2005 and 98.6 percent in spring/summer 2005.⁴¹

The implication for our destination and our marketing plan is that, while we can be confident in our destination's ability to exceed or meet visitor expectations for the majority of visitors, we must improve visitor satisfaction in order to remain competitive.

The marketing of our destination goes beyond the Monroe County Tourist Development Council. Tourism businesses throughout the county employ marketing and sales managers to promote their business and our destination. The anticipated exodus of workers in this job category (63%) could adversely affect the Keys tourism marketing and sales efforts.

The loss of professional staff may result in a brain-drain when educated, talented, highly trained individuals leave the County taking their knowledge and expertise with them. Employers are already far less satisfied with the candidate selection available to replace exiting sales and marketing management staff (23%) than they are with the skill-levels of their current sales and marketing management staff (86%), a problem likely to be exasperated by a high turnover of current management workers (63%).

Another area in which tourism worker exodus can have implications for our tourism product is when workforce shortages impact visitor satisfaction. It is less expensive to a destination to retain visitors, in the form of converting travelers into repeat visitors, than it is to attract a new visitor. The experience at the destination will affect post-visitation outlook. A positive experience, one that met or exceeded the visitors'

³⁸ Natarajan, Prabha. "Visitor Satisfaction Weakens." Pacific Business News. 18 May 05. URL: <http://www.bizjournals.com/pacific/stories/2005/05/16/daily38.html>

³⁹ "Visitor Satisfaction Declines". Bahamas News. 18 Apr. 05 URL: <http://www.bahamasb2b.com/news/wmview.php?ArtID=5053>

⁴⁰ Synovate – Miami. "2005 Visitor Profile and Economic Impact Study." Mar. 2006. URL: http://www.gmcvb.com/pictures/HotelOccupancy/HO276_Annual%20Report%202005.pdf.

⁴¹ "The beaches of Fort Myers – Sanibel Annual 2005 Visitor Profile." Research Data Services, Inc. URL: <http://www.leevcb.com/statistics/2005execprofile.pdf>

expectations, can turn a visitor into a repeat visitor. It can also turn that visitor into a “marketer” for the Keys by promoting the destination via word of mouth as a positive vacation experience and influencing their friends and family to visit. A negative experience can adversely affect the destination’s marketing through a negative word-of-mouth response.

For example, 22 percent of our new visitors in our study had been influenced to visit the Keys because of positive word of mouth from previous travelers. Had those referring travelers not had a positive experience in the Keys, it is unlikely these new visitors would have selected the Keys for their vacation. Those visitors may have instead been lost to our destination.

Better job training, customer service training, increased employee retention and satisfaction will aid in improving visitor satisfaction rates. Anticipated continued exodus of workers from housing costs, medical care costs and perceived lack of promotion or pay increase presents a challenge toward achieving higher satisfaction rates.

With our revision of our visitor profile survey, we have put better metrics into place to tract visitor satisfaction. On a quarterly basis, we will be releasing the results of these visitor satisfaction queries.

Part V: Long Term Projections

Section 1: Workforce Supply and Demand Projections

1.1 Monroe County Workforce Supply

The results of this study show the workforce is expected to decrease in both the short- and long term (5 years). Three out of every five tourism workers is planning to relocate outside of Monroe County over the next five years, an estimated 8,000 tourism workers. 17 percent of the exiting tourism workers, or 2,120, plan to leave within the next year, 15 percent (1,871) plan to follow by spring 2008, 19 percent (2,370) by spring 2010 and finally 13 percent more (1,621) following spring 2010.

Turnover is expected across all workers groups, from front-line to management. There was little difference in percentage planning to relocate when workers were grouped by job category. Customer Service/Front-line workers had somewhat higher than average relocation plans (67%). Professional/Office workers had somewhat lower than average relocation plans (62%). Household demographics of the exiting workers were also consistent with the entire worker population, with roughly the same percentage being single, having spouses or having children.

Table 5.1 Employees Planning to Leave the Keys by Job Category

Job Category	Percentage
Customer Service/Front-line	67%
Operational	63%
Professional/Office	62%
Managers and Supervisors	63%
Total Average	64%

The results also indicate turnover will be felt across all tourism business types. The percentage of employees with plans to leave the Keys was fairly consistent across industries⁴², with hotel and restaurant/bar employees having somewhat higher rates of relocation plans (67%) and retail having lower (53%).

Table 5.2 Employees Planning to Leave the Keys by Business Type Currently Employed By

Business Type	Percentage
Restaurant/Bar	67%
Lodging	67%
Retail	54%
Water Attraction/Activity	66%
Land Attraction/Activity	55%
InfoCenter/Visitor Service	54%
Total Average	64%

⁴² Employees grouped by primary or full-time employer type of company

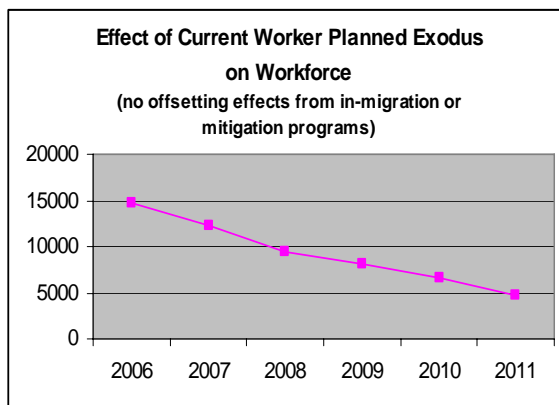
Further, loss of workers is expected across all lengths of current residency in the Keys from new residents to lifelong residents.

Table 5.2 Employees Planning to Leave the Keys by Current Length of Residency in the Keys

Business Type	Percentage
0 to 5	65%
> 5 to 10	74%
> 10 to 15	68%
> 15 to 20	65%
20+	49%
Total Average	64%

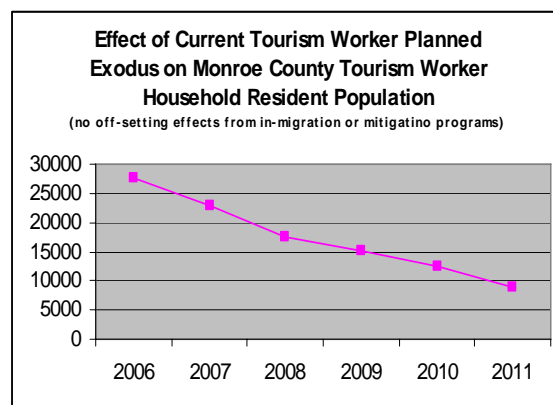
Applying the responses of this subgroup to the entire population of tourism workers⁴³ equated to a loss of over 8,000 current tourism workers. Adding in household members, a loss of up to 13,000 current Monroe County residents over the next five years could be experienced. The following graphs show the change to Monroe County's tourism workforce population and resident population from this planned exodus. No off-setting inputs, such as in-migration or mitigation programs are considered in these graphics:

Table 5.3



Source: Monroe County Tourist Development Council

Table 5.4



Source: Monroe County Tourist Development Council

The actual change in population would depend on any off-setting of resident loss by gains of new residents. Again applying the responses of this subgroup to the entire population of tourism workers, about 5,000 tourism workers have migrated into Monroe County within the past five years. They have brought with them other household members for a total of about 9,330 new Monroe County residents from tourism worker households over the past five years. If past migration trends into Monroe County continued, then the net population change of tourism worker households would be an estimated loss of over 3,640 residents. For just tourism

⁴³ At a 95% confidence level, the overall margin of error is ± 3

worker households alone, the planned resident loss over the next five years could be more than the total resident loss experienced over the past five years.

Outside of change in residency, turnover is likely to be fairly normal. The majority of tourism workers do not plan to change jobs during their residency in the Keys (71%). Those who are currently seeking another job within the County, or plan to seek another job in the near future, are looking for higher pay (40%) and better opportunities (32%).

1.2 Monroe County Workforce Demand

Florida tourism is projected to increase 2 percent to 3 percent per year over the next five years, for a total growth of 13 percent. Tourism employers, who have anticipated their staffing needs, anticipate somewhat increased staffing needs each year over the next five years in light of this projection.

One out of every five tourism employer anticipates a “*significant decrease*” in Monroe County’s population over the next two years. An additional three out of every five tourism employers anticipate a “*decrease*” or a “*somewhat decrease*” in population, for a total of four out of every five tourism employers anticipating some degree of population decrease (80%).

All data from our surveys, and those collected by other groups such as FKAA and the school system, point toward more Monroe County resident loss over both the short and long term (5 years). As one out of every two tourism employers is experiencing vacancies at current workforce levels, the anticipated continued resident exodus will result in more workforce shortages across our industry. That is at current levels of tourism. The more tourism increases, which it is projected to do, the more the shortages will be felt.

As workers vacate current positions to seek employment elsewhere in the County or relocate outside of the county, satisfaction with employees will decrease. That assumption is derived from the high levels of dissatisfaction reported by employers with candidate pools which they will be forced to dip into to replace vacating workers.

1.3: National Workforce Supply and Demand Projections.

As stated previously, the International Society of Hospitality Consultants declared in a recent study that labor issues are the number one challenge facing the global hospitality industry. The data presented in their study points toward a workforce short fall over the next five years of 5 million workers across the United States. “The number of available jobs in the United States is projected to increase by 22

million by 2010, whereas the labor force is predicted to increase by only 17 million”⁴⁴. Such shortfall projections make the national competition for employees even fiercer than it is today. This is likely to negatively impact the ability of the Florida Keys to use in-migration to fulfill local workforce shortfalls.

National turnover in the tourism and hospitality industry is anticipated at 32 percent, according to a survey conducted by Careerbuilder.com⁴⁵. Like workers searching for, or planning to search for, other jobs during their residency in the Keys most are seeking better pay (38%)

⁴⁴ Coy, Jeff. “Shrinking Labor Force is Top Challenge for Global Hospitality, Tourism & Service Industries.” ISHC Top 10 Issues 2006. URL: <http://www.ishc.com/library/2006/SHRINK.DOC>.

⁴⁵ “Thirty-two percent of hospitality workers plan to leave their jobs in 2006”. Reuters. 17 Jan. 2005. URL: <http://today.reuters.com/stocks/QuoteCompanyNewsArticle.aspx?view=PR&symbol=GCLN&storyID=190802+17-Jan-2006+PRN>.

PART VI: CONCLUSION

Section 1: Examination of Research Objectives and Hypothesis

At the onset of our study, we proposed five research questions we were seeking to answer through our investigation. We also formulated three hypotheses to test. In the following section, we review the results of those research questions and hypotheses tests.

1.1 Examination of Research Objectives

- 1) To what extent does a tourism workforce shortage actually exist in Monroe County today?

The majority of tourism workers reported shortages in both the quantity and quality of Monroe County's tourism workforce. These shortages have resulted in half of tourism businesses being short staffed and over 1,000 current vacancies.

About half of the tourism employers in Monroe County are experiencing difficulty retaining employees. A little less than half of all tourism employers are not adequately staffed. There are an estimated over 1,030 vacant tourism jobs. An estimated 36 percent of those jobs, or 370, have been vacant for more than 30 days or are persistently vacant. Monroe County lost over 1,000 workers from 2003 to 2005. Monroe County tourism employers are not satisfied with the overall quality of Monroe County applicant pool (80%) or with the overall quantity of the Monroe County applicant pool (84%).

- 2) How are tourism workforce needs currently being fulfilled in Monroe County, i.e. resident workers, commuters, telecommuters, guest workers, qualified vs. under-qualified staff?

Tourism workforce needs are being fulfilled through Monroe County residents, tourism workers holding multiple jobs, guest workers and commuting non-Monroe County residents (telecommuters and physical commuters).

85 percent of Monroe County's tourism workforce is local residents, or about 12,500 workers. About 32% of those local workers are holding multiple jobs, or nearly 4,000 workers. 15 percent of Monroe County's tourism workers are non-Monroe County residents, or about 2,200 workers. These commuters (physical and telecommuters) are mostly utilized in the Upper and Middle Keys. Physical distance from mainland worker pools prohibits higher rates of physical commuters in the Lower Keys. Lodging and Bars/Restaurants are fulfilling worker needs by utilizing

guest workers (41%, 37% respectively). This labor source is problematic as the government only issues 66,000 guest worker visas per year which much be shared across the entire United State and all of the many industries competing for the labor. Monroe County residents holding multiple jobs are also a substantial component of our workforce. As far as adequacy of the tourism workforce, tourism employers are mostly satisfied with the adequacy of the skill set/qualifications of their professional/office employees (86%) and management/executive employees (84%). They are less satisfied with the adequacy of the skill level of the remaining employee groups; customer service/front-line (63%), operational (74%).

- 3) What are the impacts of these worker issues on the tourism industry in Monroe County and our overall tourism product?

Dissatisfaction with tourism worker customer service for some visitors may have led to lower than expected satisfaction with their vacation experiences. While the majority of visitors' Florida Keys vacation experience met or exceeded their expectations, about 14 percent of visitors' vacation did not meet their overall expectations. Customer service in lodging, retail, attractions/activities and restaurants generally achieved lower visitor satisfaction rates than the physical product. When we analyzed the responses by district it is clear there were lower rates of customer satisfaction in District I than the other districts, indicating there are some opportunities to improve visitor satisfaction in District I. The various attributes queried of the District I vacation experience did not meet expectations 15 percent to 26 percent of the time.

The loss of residents, both tourism workers and non tourism workers, may adversely affect our cultural tourism product. Resident relocation, particular native residents, may result in cultural drain where the cultural traditions of the tourism host community are lost. The Keys unique culture is important component of both the fabric of its community and its tourism product.

The loss of professional and management staff, particularly sales and marketing managers, can adversely impact the marketing and management our tourism product. The brain-drain associated with the loss of 63% of our current management whom are planning to relocate could be significant as these talented individuals take their skills and knowledge with them.

Another arena in which our tourism marketing efforts can be impacted is repeat visitation and word of mouth. It is less expensive to convert a visitor into a repeat visitor than it is to continually attract new visitors. Positive word of mouth from our visitors essentially turns them into "marketers" for the Keys, promoting the

destination to their friends and families. A positive visitor experience is essential for both.

- 4) What are our long-term projected needs for workers and supply of workers in the tourism industry?

Tourism employers, who have anticipated their staffing needs, anticipate somewhat increased staffing needs each year over the next five years. On the other hand, a significant loss of tourism workers (64% or nearly 8,000) is anticipated to occur in both the short and long term. Three out of every five tourism workers have plans to leave the Keys. 17 percent of this exodus, or 2,120, is planned by spring 2007. This indicates a significant shortage of worker supply is likely to occur unless new workers migrate into the County at higher rates than are experienced today or existing workers can be retained. Recruitment, or increased in-migration, is likely to be difficult as national shortfalls of 5 million workers over the next five years are predicted.

- 5) What are the implications for our tourism product given our worker demand and supply long-term projections?

In order to sustain and improve our tourism product, we must resolve the worker retention issues. Most notably, the housing cost burden for workers needs reduction. Currently four out of every five tourism workers are paying more than 30 percent of their household income for their home or rent. Housing cost burden is the factor that is most likely to cause a worker planning to leave. On the flip side, alleviating housing cost burden is the factor that is most likely to cause a departing worker to reverse their decision and stay in the Keys. Medical benefits, increased pay and promotion is also very likely to retain workers.

Improved customer service levels would enhance visitor experience and increase satisfaction rates. Customer service training is recommended to ensure front-line employees have adequate skills to meet visitor expectations.

1.2 Examination of Hypotheses:

Hypothesis 1: A workforce shortage currently exists in the Monroe County, and specifically within its tourism industry.

Result: Accept. *About one out of every two tourism employers has vacancies and is experiencing difficulty retaining employees. An estimated over 1,000 tourism jobs are vacant today.*

Hypothesis 2: The workforce shortage impacts our tourism product throughout the County.

Result: Reject. *When analyzing visitor satisfaction by district, it is evident that failure to meet or exceed visitor satisfaction is more prevalent in District I. District II, in particular, had very low rates of failing to meet or exceed visitor satisfaction.*

Hypothesis 2: Given growth projections of the tourism industry, and the anticipated persistence of factors currently negatively impacting worker supply, the workforce shortage is anticipated to continue with negative impacts in the long term (5 years).

Results: Accept. *Four out of every five tourism workers has plans to leave Monroe County within the next five years. At the same time, Florida tourism is predicted to grow 2 percent to 3 percent per year. The resulting conclusion is the Florida Keys are at risk for a significant workforce shortage if programs are not put in place to mitigate workforce loss.*

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APPENDIX A

Monroe County Tourism Workforce Research Study Project Outline

As approved by the Monroe County Tourist Development Council on March 2, 2006

Part I: Industry Analysis – An overview of the role of tourism in Monroe County’s economy and a review of a tourism based workforce.

- I. Examine what tourism means to Monroe County
 - a. Economic impact
 - b. Tourism generated taxable sales
 - i. Visitor share of sales tax revenues
 - c. Tourism generated employment
 - d. Tourism industry contribution to ad valorem taxes
- II. Examine characteristics of tourism based workforces
 - a. Identify core functions and services of tourism workers
 - b. Identify representative occupations
 - i. Management and supervisors
 - ii. Operations and administration
 - iii. Front-line staff and customer service
 - iv. Maintenance, labor and other
 - c. Skill sets for occupations
 - d. Average compensation

Part II: Monroe County Situation Analysis - A descriptive profile of where we are now in terms of our tourism workforce.

- I. Analyze our workforce supply
 - a. Employment data and trends
 - i. Quantify workforce
 - ii. Seasonality of workforce
 - iii. Unemployment trends
 - iv. Current employment
 - 1. Segment results by tourism business areas: Lodging, Food & Beverage, Attractions, Activities, Tours & Services and Tourism Related Retail
 - b. Composition of workforce
 - i. Keys residents
 - ii. Non keys residents
 - 1. Commuting patterns to Keys
 - 2. Number & origin of telecommuters
 - iii. Guest workers & contract labor
 - iv. Segment results by tourism business areas: Lodging, Food & Beverage, Attractions, Activities Tours & Services and Tourism Related Retail
 - c. Longevity of workforce
 - d. Workforce costs of residing in Monroe County
 - i. Housing

- 1. Home ownership costs, e.g. purchase price, insurance, taxes, etc.
 - 2. Rental costs
 - ii. Medical costs
 - iii. Other cost of living expenses
- II. Analyze our workforce demand
 - a. Adequacy of Florida Keys workforce
 - i. In terms of number of workers
 - ii. In terms of workers skill sets and competencies
 - b. Quantify current vacancies
 - i. Number of vacancies by job category
 - ii. Skill sets required for vacancies
 - iii. Averages
 - 1. length to fulfill positions
 - 2. applications per position
- III. Workforce supply vs. workforce demand gaps
 - a. Positions
 - b. Skill sets
 - c. Segment results by tourism business areas: Lodging, Food & Beverage, Attractions, Activities, Tours & Services and Tourism Related Retail

Part III: Impact Analysis - Effects of workforce issues on employers, visitors and marketing efforts.

- I. Employer Issues, Programs & Costs
 - a. Recruitment & Training
 - b. Compensation & Benefits
 - c. Retention & Attrition
 - d. Impact of increasing ADR or RevPAR vs. decreasing workforce
- II. Impacts to Visitors and Customer Satisfaction
 - a. Impacts of insufficient staffing, staff skill set and experience inadequacies, and turnover
 - b. Visitor satisfaction
 - i. anticipated vacation experience vs. actual vacation experience
 - ii. Perceived value for cost of experience
 - c. Upscale tier visitor expectations and experience
 - d. Post visitation outlook
 - i. Revisit intentions
 - ii. Word of month on experience
 - e. Segment results by first time visitor, repeat visitor
- III. Studies in other areas
 - a. Relevant findings
 - b. Competitive analysis
 - c. Correlation between visitor experience and repeat visitation
- IV. Marketing of Tourism
 - a. How impacts may effect marketing of destination

Part IV: Long Term Projections – Over the next five years, where do we anticipate being in terms of tourism volume, worker demand and worker supply.

- I. National tourism outlook
 - a. Trends in tourism workforce demand and supply
 - b. National tourism volume projections
- II. Monroe County tourism outlook
 - a. Employers projected worker needs
 - i. segment results by tourism business areas: Lodging, Food & Beverage, Attractions, Activities, Tours & Services and Tourism Related Retail
 - b. Workforce supply and population projections
 - c. Florida Keys tourism projections

Part V: Summary of Conclusions – Examination of validity of study hypotheses.

APPENDIX B

Survey Packet Cover Letter

April 27, 2006

Dear Tourism Employer,

The TDC is embarking on the first ever comprehensive study of the Florida Keys' Tourism Workforce. As you know, many in our industry struggle to meet our worker needs. The increasing exodus of Florida Keys residents indicates further struggle likely lies ahead. The TDC Workforce Study seeks to engage tourism stakeholders, i.e. the workers, employers and visitors, in order to provide a 360 degree view of the impact of workforce issues on the industry.

We need your help. Your input, and that of your employees, is the key to this study, and the Florida Keys Tourism Industry's future success. Please take a moment to complete the enclosed Tourism Employer Survey (orange booklet) on behalf of your organization. **Please return your response to us in the enclosed pre-paid envelope within 10 days.**

Alternatively, you may visit www.fl-keys.com/employer_survey to complete the survey electronically or download additional copies.

We also require your assistance in distributing our Worker Survey. Enclosed you will find a copy of the Worker Survey (red booklet). **Please contact us within the next 10 days with your current employee count** via phone at 305.296.1552, via fax at 305.296.0788 or via email at research@fla-keys.com. We will then mail to you the appropriate number of Worker Surveys and pre-paid envelopes. We recommend distributing the surveys to employees with their pay checks, or in employee mailboxes, for maximum attention. It is in all our best interest to encourage worker participation in the project as it will provide valuable insight, such as, our workers' planned longevity in the Keys and job satisfaction. Workers may also complete their survey via the web, or download copies, at www.fl-keys.com/worker_survey.

If you have any questions, or require any assistance, please contact our office at 305.296.1552.

Sincerely,



Harold Wheeler
Director

Enc.

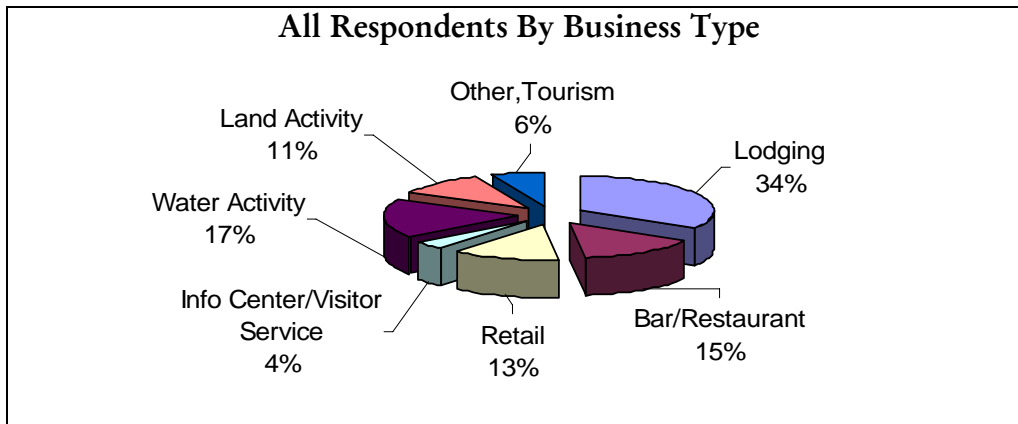
Appendix C

Respondent Profile TDC Employer Survey

Table A1: Number of Respondents by District (where given):

District ¹	Respondents
District I	93
District II	11
District III	33
District IV	27
District V	30
District Not Named	18
Total	212

Table A3 : Type of Business, All Respondents



¹

District	Description
District I	Key West City limits (includes Island of Key West & bayside/College Rd Stock Island)
District II	Lower Keys (Key West City limits to Seven Mile Bridge)
District III	Marathon/Middle Keys (North of Seven Mile Bridge to Long Key/MM64)
District IV	Islamorada Area (North of Long Key/MM64 to MM 90.7 Tavernier)
District V	Upper Keys (North of MM 90.7/Tavernier to County line)

Table A4: Type of Business by District, District I

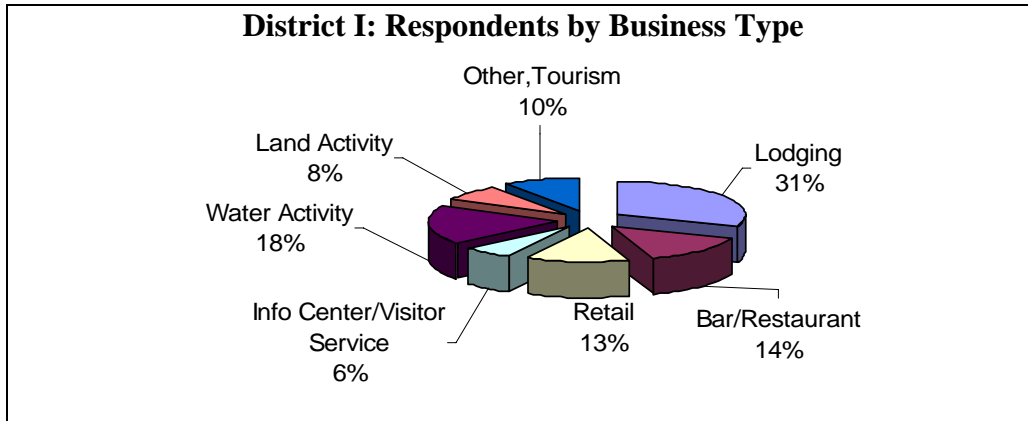


Table A5: Type of Business by District, District II

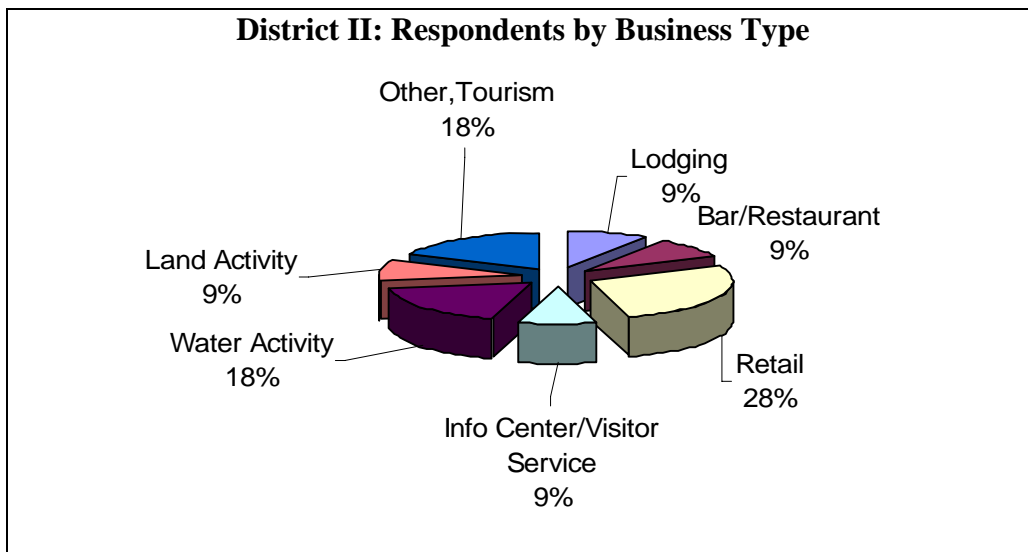


Table A6: Type of Business by District, District III

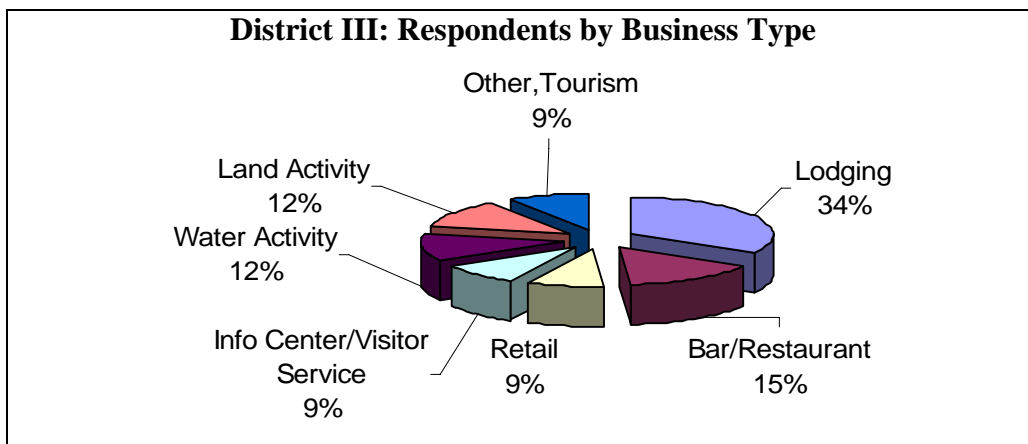


Table A7: Type of Business by District, District IV

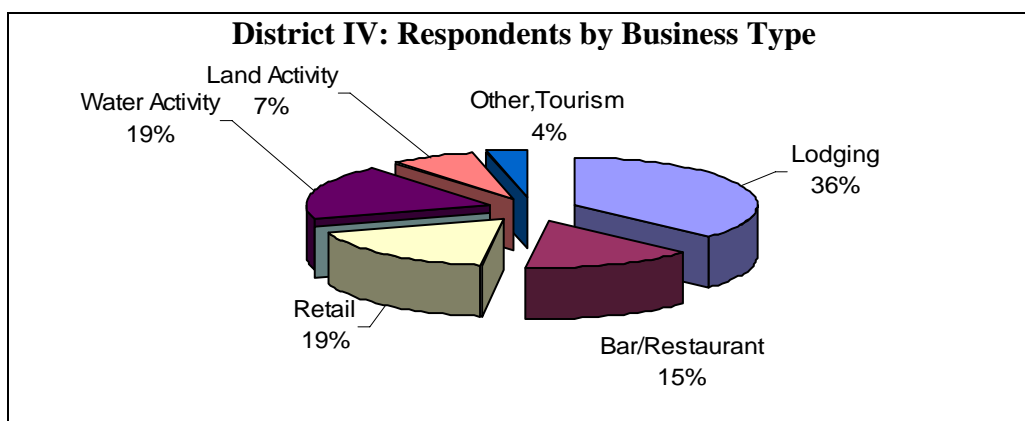


Table A7: Type of Business by District, District V

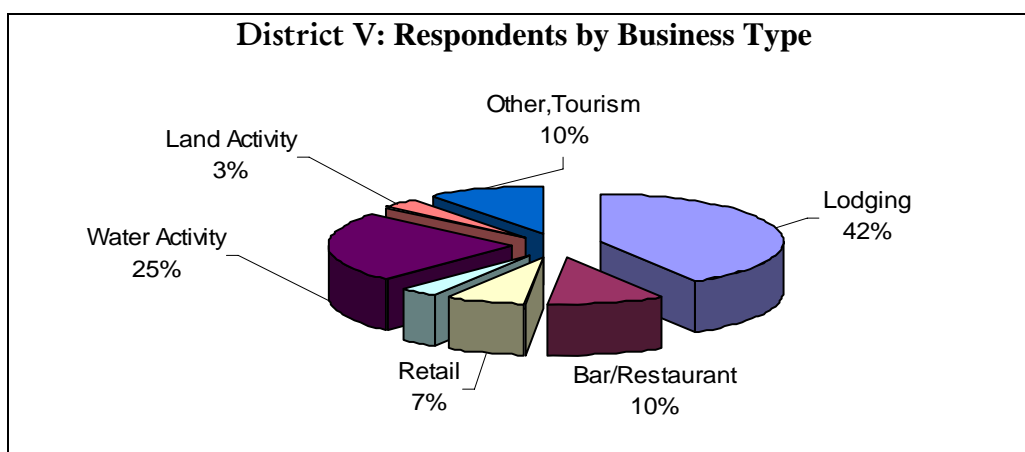


Table A8: Number of employees (directly employed)

All Respondents	5,094
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Table A9: Number of employees (directly employed) by type of business:

Type of Business	Aggregate Employees
Lodging	1,591
Bar/Restaurant	987
Retail	160
Info Center/Visitor Service	54
Water Activity/Attraction	377
Land Activity/Attraction	636
Other, Tourism Related	221

Table A10: Aggregate number of employees (directly employed) by business location:

District	Aggregate Employees
District I	1,584
District II	412
District III	592
District IV	478
District V	472

Table A11: Average number of employees (directly employed) by type of business:

Type of Business	Average Employees
Lodging	26
Bar/Restaurant	39
Retail	6
Info Center/Visitor Service	8
Water Activity/Attraction	11
Land Activity/Attraction	30
Other, Tourism Related	28

Appendix D

Top 25 Tourism Occupations by Business Type

Top Twenty-Five Lodging Occupations, State of Florida

Occupation Title	Number of Employees
Maids and Housekeeping Cleaners	32,441
Waiters and Waitresses	13,281
Hotel, Motel, and Resort Desk Clerks	12,287
Maintenance and Repair Workers, General	6,323
Cooks, Restaurant	5,354
Dining Room and Cafeteria Attendants and Bartender	4,678
Janitors and Cleaners, Except Maids and Housekeepi	4,663
Food Servers, Nonrestaurant	4,244
Security Guards	3,873
Laundry and Dry-Cleaning Workers	3,862
Bartenders	3,647
Dishwashers	2,928
Food Preparation Workers	2,732
First-Line Supervisors/Managers of Housekeeping an	2,553
Baggage Porters and Bellhops	2,409
First-Line Supervisors/Managers of Office and Admi	2,158
Bookkeeping, Accounting, and Auditing Clerks	2,136
Sales and Related Workers, All Other	2,091
Landscaping and Groundskeeping Workers	2,087
First-Line Supervisors/Managers of Food Preparatio	1,782
Switchboard Operators, Including Answering Service	1,616
Reservation and Transportation Ticket Agents and T	1,596
Hosts and Hostesses, Restaurant, Lounge, and Coffe	1,587
Cashiers	1,516
Lodging Managers	1,487

Source: Labor Market Statistics, Occupational Employment Statistics Program

Top Twenty-five Restaurant Occupations, State of FL

Occupation Title	Number of Employees
<u>Waiters and Waitresses</u>	123,900
<u>Cooks, Restaurant</u>	40,980
<u>Dishwashers</u>	20,510
<u>Hosts and Hostesses, Restaurant, Lounge, and Coffe</u>	19,801
<u>Food Preparation Workers</u>	16,363
<u>Dining Room and Cafeteria Attendants and Bartender</u>	14,094
<u>Bartenders</u>	13,339
<u>First-Line Supervisors/Managers of Food Preparatio</u>	12,947
<u>Combined Food Preparation and Serving Workers, Inc</u>	6,588
<u>Cashiers</u>	5,901
<u>Cooks, Short Order</u>	5,704
<u>Cooks, Fast Food</u>	5,029
<u>Food Service Managers</u>	4,113
<u>Chefs and Head Cooks</u>	3,551
<u>Counter Attendants, Cafeteria, Food Concession, an</u>	1,590
<u>Janitors and Cleaners, Except Maids and Housekeepi</u>	1,263
<u>Bookkeeping, Accounting, and Auditing Clerks</u>	1,207
<u>General and Operations Managers</u>	1,189
<u>Bakers</u>	827
<u>Office Clerks, General</u>	717
<u>Driver/Sales Workers</u>	681
<u>Retail Salespersons</u>	417
<u>Chief Executives</u>	382
<u>Security Guards</u>	379
<u>Sales and Related Workers, All Other</u>	Confidential

Source: Labor Market Statistics, Occupational Employment Statistics Program

Top Twenty-Five Bars and Night Clubs (Drinking Places) Occupations, State of Florida

Occupation Title	Number of Employees
<u>Bartenders</u>	6,735
<u>Waiters and Waitresses</u>	3,853
<u>First-Line Supervisors/Managers of Food Preparatio</u>	781
<u>Cooks, Restaurant</u>	764
<u>Security Guards</u>	682
<u>Dining Room and Cafeteria Attendants and Bartender</u>	629
<u>Cooks, Short Order</u>	530
<u>Hosts and Hostesses, Restaurant, Lounge, and Coffe</u>	526
<u>Dishwashers</u>	517
<u>Food Preparation Workers</u>	500
<u>Cashiers</u>	497
<u>Cooks, Fast Food</u>	466
<u>Chefs and Head Cooks</u>	213
<u>Combined Food Preparation and Serving Workers, Inc</u>	195
<u>Food Service Managers</u>	171
<u>Janitors and Cleaners, Except Maids and Housekeepi</u>	164
<u>Office Clerks, General</u>	116
<u>General and Operations Managers</u>	108
<u>Bookkeeping, Accounting, and Auditing Clerks</u>	103
<u>First-Line Supervisors/Managers of Retail Sales Wo</u>	97
<u>Payroll and Timekeeping Clerks</u>	76
<u>Announcers</u>	68
<u>Retail Salespersons</u>	48
<u>Maintenance and Repair Workers, General</u>	43
<u>Sales and Related Workers, All Other</u>	39

Source: Labor Market Statistics, Occupational Employment Statistics Program

Top Twenty-Five Attractions Occupations: Historical Places, Museums and Parks,
State of Florida

Occupation Title	Number of Employees
<u>Archivists, Curators, and Museum Technicians</u>	402
<u>Nonfarm Animal Caretakers</u>	390
<u>Cashiers</u>	359
<u>Retail Salespersons</u>	273
<u>Security Guards</u>	251
<u>Tour Guides and Escorts</u>	226
<u>Recreation Workers</u>	187
<u>Janitors and Cleaners, Except Maids and Housekeepi</u>	184
<u>Office Clerks, General</u>	184
<u>Self-Enrichment Education Teachers</u>	183
<u>Maintenance and Repair Workers, General</u>	170
<u>Ushers, Lobby Attendants, and Ticket Takers</u>	155
<u>Receptionists and Information Clerks</u>	147
<u>Executive Secretaries and Administrative Assistant</u>	142
<u>Bookkeeping, Accounting, and Auditing Clerks</u>	136
<u>Landscaping and Groundskeeping Workers</u>	120
<u>Protective Service Workers, All Other</u>	95
<u>Public Relations Specialists</u>	93
<u>Amusement and Recreation Attendants</u>	90
<u>Instructional Coordinators</u>	90
<u>Animal Trainers</u>	83
<u>First-Line Supervisors/Managers of Retail Sales Wo</u>	67
<u>Business Operations Specialists, All Other</u>	62
<u>Actors</u>	Confidential
<u>Combined Food Preparation and Serving Workers, Inc</u>	Confidential

Source: Labor Market Statistics, Occupational Employment Statistics Program

Top Twenty-Five Attractions Occupations, Water Related Attractions & Tours,
State of Florida

Occupation Title	Number of Employees
<u>Captains, Mates, and Pilots of Water Vessels</u>	391
<u>Motorboat Operators</u>	350
<u>Tour Guides and Escorts</u>	126
<u>Sailors and Marine Oilers</u>	118
<u>Waiters and Waitresses</u>	104
<u>Combined Food Preparation and Serving Workers, Inc</u>	99
<u>Reservation and Transportation Ticket Agents and T</u>	64
<u>Bartenders</u>	60
<u>Cashiers</u>	58
<u>Laborers and Freight, Stock, and Material Movers,</u>	54
<u>Office Clerks, General</u>	49
<u>Cooks, Restaurant</u>	46
<u>Bookkeeping, Accounting, and Auditing Clerks</u>	36
<u>Counter and Rental Clerks</u>	24
<u>Business Operations Specialists, All Other</u>	20
<u>Secretaries, Except Legal, Medical, and Executive</u>	18
<u>First-Line Supervisors/Managers of Transportation</u>	15
<u>Receptionists and Information Clerks</u>	15
<u>Customer Service Representatives</u>	14
<u>Executive Secretaries and Administrative Assistant</u>	14
<u>Amusement and Recreation Attendants</u>	Confidential
<u>Bus Drivers, Transit and Intercity</u>	Confidential
<u>Dining Room and Cafeteria Attendants and Bartender</u>	Confidential
<u>Sales and Related Workers, All Other</u>	Confidential
<u>Transportation Workers, All Other</u>	Confidential

Source: Labor Market Statistics, Occupational Employment Statistics Program

Top Twenty-Five Attractions Occupations, Water Related Attractions & Tours,
State of Florida

Occupation Title	Number of Employees
Bus Drivers, Transit and Intercity	128
Tour Guides and Escorts	57
Business Operations Specialists, All Other	11
Secretaries, Except Legal, Medical, and Executive	9
First-Line Supervisors/Managers of Personal Servic	7
First-Line Supervisors/Managers of Transportation	7
Cashiers	4
Bookkeeping, Accounting, and Auditing Clerks	Confidential
Chief Executives	Confidential
Cleaners of Vehicles and Equipment	Confidential
Customer Service Representatives	Confidential
Dispatchers, Except Police, Fire, and Ambulance	Confidential
First-Line Supervisors/Managers of Mechanics, Inst	Confidential
First-Line Supervisors/Managers of Office and Admi	Confidential
General and Operations Managers	Confidential
Helpers--Installation, Maintenance, and Repair Wor	Confidential
Janitors and Cleaners, Except Maids and Housekeepi	Confidential
Maintenance and Repair Workers, General	Confidential
Motor Vehicle Operators, All Other	Confidential
Motorboat Operators	Confidential
Office Clerks, General	Confidential
Reservation and Transportation Ticket Agents and T	Confidential
Retail Salespersons	Confidential
Taxi Drivers and Chauffeurs	Confidential
Truck Drivers, Light or Delivery Services	Confidential

Source: Labor Market Statistics, Occupational Employment Statistics Program

Appendix E

The following are compensation ranges for tourism related positions in South Florida, our workforce region. All wages are reported for full-time employment.

Occupational Title	Entry Level	Mean (average)	Experienced
Chief Executives	n/a	\$140,000 or more	n/a
Financial Managers	\$67,516.80	\$105,518.40	\$124,508.80
Human Resources Managers	\$52,936.00	\$96,699.20	\$118,580.80
Sales Managers	\$50,668.80	\$81,515.20	\$96,928.00
Managers, All Other	\$56,388.80	\$77,126.40	\$87,484.80
General and Operations Managers	\$45,718.40	\$76,003.20	\$91,166.40
Financial Managers	\$52,873.60	\$74,568.00	\$85,425.60
Administrative Services Managers	\$36,108.80	\$67,288.00	\$82,867.20
Compensation and Benefits Managers	\$38,979.20	\$64,230.40	\$76,876.80
Public Relations Managers	\$52,998.40	\$62,836.80	\$67,766.40
Food Service Managers	\$45,219.20	\$61,776.00	\$70,075.20
Lodging Managers	\$33,945.60	\$60,860.80	\$74,318.40
Purchasing Managers	\$36,316.80	\$47,902.40	\$53,684.80
Chefs and Head Cooks	\$29,411.20	\$42,744.00	\$49,400.00
First-Line Supervisors	\$23,150.40	\$32,281.60	\$36,857.60
Cooks, All Other	\$20,904.00	\$24,980.80	\$27,019.20
Cooks, Short Order	\$15,371.20	\$21,257.60	\$24,232.00
Retail Salespersons	\$14,227.20	\$21,236.80	\$24,731.20
Food Servers, Nonrestaurant	\$13,873.60	\$18,616.00	\$20,987.20
Bartenders	\$13,790.40	\$18,449.60	\$20,758.40
Waiters and Waitresses	\$13,790.40	\$17,763.20	\$19,760.00
Hosts and Hostesses	\$14,144.00	\$17,700.80	\$19,489.60
Cashiers	\$13,873.60	\$17,347.20	\$19,073.60
Cooks, Fast Food	\$13,873.60	\$16,369.60	\$17,596.80
Dishwashers	\$13,748.80	\$15,766.40	\$16,785.60

Source: Florida's Agency for Workforce Innovations Labor Market Statistics

**To request a copy of this study, or for more information
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